

ORIGINAL

-Application

Regional

Hospital of

Jackson

CN1505-022

CERTIFICATE OF NEED APPLICATION

FOR

REGIONAL HOSPITAL OF JACKSON

**Renovation and Expansion of the
Hospital Surgical Department**

Madison County, Tennessee

May 15, 2015

Contact Person:

**Jerry W. Taylor, Esq.
Burr & Forman, LLP
511 Union Street, Suite 2300
Nashville, Tennessee 37219
615-724-3247**

SECTION A:

APPLICANT PROFILE

| | | | | | | | | | | | | | | | | | | |
|---|-------------------------------|---|--|------------------------|-------------------------------|--|----------------|---------------------------|--|------------------------|------------------|--|-----------------------------|------------------------------|---|---------------------------------|-----------------------|--|
| <p>1. <u>Name of Facility, Agency, or Institution</u></p> <p>Regional Hospital of Jackson Name 367 Hospital Blvd. Street or Route Jackson City </p> <p>TN State </p> <p>Madison County 38305 Zip Code </p> | | | | | | | | | | | | | | | | | | |
| <p>2. <u>Contact Person Available for Responses to Questions</u></p> <p>Jerry W. Taylor Name Burr & Forman, LLP Company Name 3102 West End Avenue, Suite 700 Street or Route Attorney Association with Owner </p> <p>Attorney Title jtaylor@burr.com Email address Nashville City </p> <p>TN State </p> <p>37203 Zip Code 615-724-3247 Phone Number </p> <p>615-724-3347 Fax Number </p> | | | | | | | | | | | | | | | | | | |
| <p>3. <u>Owner of the Facility, Agency or Institution</u></p> <p>Jackson, Tennessee Hospital Company, LLC Name 400 Meridian Blvd. Street or Route Franklin City </p> <p>TN State </p> <p>615-661-2000 Phone Number Williamson County 37067 Zip Code </p> | | | | | | | | | | | | | | | | | | |
| <p>4. <u>Type of Ownership of Control (Check One)</u></p> <table> <tr> <td>A. Sole Proprietorship</td> <td>F. Government (State of TN or</td> <td></td> </tr> <tr> <td>B. Partnership</td> <td>G. Political Subdivision)</td> <td></td> </tr> <tr> <td>C. Limited Partnership</td> <td>H. Joint Venture</td> <td></td> </tr> <tr> <td>D. Corporation (For Profit)</td> <td>I. Limited Liability Company</td> <td>X</td> </tr> <tr> <td>E. Corporation (Not-for-Profit)</td> <td>Other (Specify) _____</td> <td></td> </tr> </table> | | | | A. Sole Proprietorship | F. Government (State of TN or | | B. Partnership | G. Political Subdivision) | | C. Limited Partnership | H. Joint Venture | | D. Corporation (For Profit) | I. Limited Liability Company | X | E. Corporation (Not-for-Profit) | Other (Specify) _____ | |
| A. Sole Proprietorship | F. Government (State of TN or | | | | | | | | | | | | | | | | | |
| B. Partnership | G. Political Subdivision) | | | | | | | | | | | | | | | | | |
| C. Limited Partnership | H. Joint Venture | | | | | | | | | | | | | | | | | |
| D. Corporation (For Profit) | I. Limited Liability Company | X | | | | | | | | | | | | | | | | |
| E. Corporation (Not-for-Profit) | Other (Specify) _____ | | | | | | | | | | | | | | | | | |

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

Organizational documentation is attached as Attachment A, 4.

5. Name of Management/Operating Entity (If Applicable)

N/A
Name

Street or Route

County

City

State

Zip Code

**PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

6. Legal Interest in the Site of the Institution (Check One)

- | | | |
|-------------------------|---|--------------------------|
| A. Ownership | X | D. Option to Lease |
| B. Option to Purchase | | E. Other (Specify) _____ |
| C. Lease of _____ Years | | |

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

A copy of the Special Warranty Deed is attached as Attachment A, 6.

7. Type of Institution (Check as appropriate--more than one response may apply)

- | | | |
|--|---|---|
| A. Hospital (Specify) <u>General</u> | X | I. Nursing Home |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty | | J. Outpatient Diagnostic Center |
| C. ASTC, Single Specialty | | K. Recuperation Center |
| D. Home Health Agency | | L. Rehabilitation Facility |
| E. Hospice | | M. Residential Hospice |
| F. Mental Health Hospital | | N. Non-Residential Methadone Facility |
| G. Mental Health Residential Treatment Facility | | O. Birthing Center |
| H. Mental Retardation Institutional Habilitation Facility (ICF/MR) | | P. Other Outpatient Facility (Specify) _____ |
| | | Q. Other (Specify) _____ |

8. **Purpose of Review** (*Check*) as appropriate--more than one response may apply)

- | | | |
|-----------------------------------|---|--------------------------------------|
| A. New Institution | | G. Change in Bed Complement |
| B. Replacement/Existing Facility | | [Please note the type of change by |
| C. Modification/Existing Facility | X | <u>underlining the appropriate</u> |
| D. Initiation of Health Care | | <u>response: Increase, Decrease,</u> |
| Service as defined in TCA § | | <u>Designation, Distribution,</u> |
| 68-11-1607(4) | | <u>Conversion, Relocation]</u> |
| (Specify) _____ | | H. Change of Location |
| E. Discontinuance of OB Services | | I. Other (Specify) _____ |
| F. Acquisition of Equipment | | _____ |

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

9. **Bed Complement Data**

Please indicate current and proposed distribution and certification of facility beds.

| | <u>Current Beds Licensed</u> | <u>*CON</u> | <u>Staffed Beds</u> | <u>Beds Proposed</u> | <u>TOTAL Beds at Completion</u> |
|---|----------------------------------|---------------|-------------------------|--------------------------|---|
| A. Medical | <u>124</u> | <u> </u> | <u>100</u> | <u>-2*</u> | <u>122</u> |
| B. Surgical (included in Medical) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| C. Long-Term Care Hospital | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| D. Obstetrical | <u>12</u> | <u> </u> | <u>12</u> | <u> </u> | <u>12</u> |
| E. ICU/CCU | <u>16</u> | <u> </u> | <u>16</u> | <u> </u> | <u>16</u> |
| F. Neonatal | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| G. Pediatric | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| H. Adult Psychiatric | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| I. Geriatric Psychiatric | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| J. Child/Adolescent Psychiatric | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| K. Rehabilitation | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| L. Nursing Facility (non-Medicaid Certified) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| M. Nursing Facility Level 1 (Medicaid only) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| N. Nursing Facility Level 2 (Medicare only) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| O. Nursing Facility Level 2 (dually certified Medicaid/Medicare) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| P. ICF/MR | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Q. Adult Chemical Dependency | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| R. Child and Adolescent Chemical Dependency | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| S. Swing Beds | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| T. Mental Health Residential Treatment | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| U. Residential Hospice | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL | <u>152</u> | <u> </u> | <u>152</u> | <u> </u> | <u>150</u> |

* RHJ has physician ownership and as such,
federal law prohibits a net increase of beds or ORs.
Accordingly, if the 2 new ORs are approved, RHJ
will de-license 2 inpatient beds.

10. **Medicare Provider Number:** 440189
Certification Type: Hospital
11. **Medicaid Provider Number:** 0440189
Certification Type: Hospital
12. **If this is a new facility, will certification be sought for Medicare and/or Medicaid?**
N/A. RHJ is currently certified for Medicare and Medicaid.
13. **Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area.**
AmeriGroup, BlueCare, UnitedHealthcare Community Plans, TennCare Select

Will this project involve the treatment of TennCare participants?

Yes

If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.

RHJ is contracted with all of the TennCare plans operating in the area.

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

N/A.

NOTE: *Section B* is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. *Section C* addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.**

Project Description

Regional Hospital of Jackson ("RHJ") seeks approval for a hospital expansion and modification project with a cost in excess of \$5 million. The project will entail (1) the renovation of approximately 9,294 square feet of space in the existing surgical department, (2) the addition of approximately 3,777 square feet of new construction to the existing surgical department, and (3) the addition of 2 operating rooms, increasing the number of ORs from 5 to 7.

This project does not involve any increase in licensed bed capacity. In fact, because RHJ is a physician syndicated hospital, federal law prohibits any net increase in the number of licensed beds or operating rooms. Accordingly, if this project is approved, RHJ will de-license two inpatient beds.

Services & Equipment

No changes in the services the hospital offers will result from this project. No major medical equipment is involved in this project. Equipment to be acquired is that necessary to fully equip the new ORs, as well as some replacement equipment for the existing ORs and other ancillary areas of the surgical department.

Ownership Structure

RHJ is owned by Jackson, Tennessee Hospital Company, LLC. Jackson Tennessee Hospital Company, LLC is owed 97% by Jackson Hospital Corp. and 3% by local physicians.

Service Area

The primary service area for this project consists of Madison, Gibson, Henderson, and Dyer counties. Residents of these counties accounted for approximately 52% of the admissions to RHJ in 2013. RHJ had admissions of residents of 20 additional counties, but no single county accounted for more than 6% of the total admissions. Since no new service or additional beds are involved in this project, it is felt the 4 county primary service area is a reasonable metric.

Need

The renovation of the existing surgical department is long overdue, and is not dependent on surgical volume for its justification. There is a need for updating, and re-design for better patient through-put. The additional ORs are justified based on growing volume and the efficiencies of adding capacity during the midst of a major renovation project, as opposed to adding capacity later and causing additional disruption, as well as higher cost.

There are no criteria or guidelines as to threshold utilization of hospital based ORs. The number of cases per OR has steadily grown from 677 cases per OR in 2013 to 710 cases per OR in 2014, and annualized through April 2015 the number of cases per OR is 725.

Existing Resources

There are six hospitals in addition to RHJ which provide surgical services in the service area. The largest hospital provider of surgical services is Jackson Madison County General Hospital, also located in Madison County. A table reflecting the surgical utilization of the hospitals in the service area is attached as Attachment C, I, Need, 5.

This project will increase surgical capacity at RHJ by the addition of 2 new operating rooms, increasing the total number of ORs from 5 to 7. There are no need criteria or guidelines applicable to a hospital increasing its surgical capacity.

Project Cost & Funding

The total estimated project cost is \$8,845,000 exclusive of the filing fee. Of this approximately \$4.3 million is construction cost, and approximately \$3.2 million is equipment cost. The construction costs are reasonable as verified by the project architect in Attachment C, I, Need, 5. The equipment quotes were negotiated in an arms-length transaction among experienced business people, and are likewise reasonable. The project will be funded through cash reserves by an allocation from the parent company.

Financial Feasibility

The project is financially feasible. As reflected in the Projected Data Chart, the project will be cost-efficient and will have a positive cash flow and will produce a strong positive NOI in Year 1 and thereafter.

Staffing

This project will increase staffing by a total of 9 FTE positions. A listing of the current and proposed staffing of the surgical department is attached as Attachment C, III, Orderly Development, 3. The applicant anticipates no difficulty in filling the needed positions.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects**

(construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

RHJ seeks approval for a hospital expansion and modification project with a cost in excess of \$5 million. The project will entail (1) the renovation of approximately 9,294 square feet of space in the existing surgical department, (2) the addition of approximately 3,777 square feet of new construction to the existing surgical department, and (3) the addition of 2 operating rooms, increasing the number of ORs from 5 to 7.

The estimated cost per square foot of new construction is \$731.25 and the estimated cost per square foot of renovated space is \$186.25. The estimated cost per square foot for total new construction and renovated space is 343.73.

The median cost of total hospital construction for CON-approved projects for 2011-2013 is \$227.88 per square foot. The likely reasons the construction cost per square foot of this project is higher than the median of approved costs is that this is surgical department renovation/construction which is generally higher than for lower intensity settings in hospitals. Inflation since 2013, especially in the construction industry, is also a factor.

- B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.**

N/A.

C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

N/A. No new services are being proposed.

- 1. Adult Psychiatric Services**
- 2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)**
- 3. Birthing Center**
- 4. Burn Units**
- 5. Cardiac Catheterization Services**
- 6. Child and Adolescent Psychiatric Services**
- 7. Extracorporeal Lithotripsy**
- 8. Home Health Services**
- 9. Hospice Services**
- 10. Residential Hospice**
- 11. ICF/MR Services**
- 12. Long-term Care Services**
- 13. Magnetic Resonance Imaging (MRI)**
- 14. Mental Health Residential Treatment**
- 15. Neonatal Intensive Care Unit**
- 16. Non-Residential Methadone Treatment Centers**
- 17. Open Heart Surgery**
- 18. Positron Emission Tomography**
- 19. Radiation Therapy/Linear Accelerator**
- 20. Rehabilitation Services**
- 21. Swing Beds**

D. Describe the need to change location or replace an existing facility.

N/A

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$2 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

N/A. No major medical equipment is involved in this project.

1. For fixed-site major medical equipment (not replacing existing equipment):

a. Describe the new equipment, including:

- 1. Total cost ;(As defined by Agency Rule).**
- 2. Expected useful life;**

3. List of clinical applications to be provided; and

4. Documentation of FDA approval.

b. Provide current and proposed schedules of operations.

2. For mobile major medical equipment:

a. List all sites that will be served;

b. Provide current and/or proposed schedule of operations;

c. Provide the lease or contract cost.

d. Provide the fair market value of the equipment; and

e. List the owner for the equipment.

3. Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which must include:

1. Size of site (*in acres*);

2. Location of structure on the site; and

3. Location of the proposed construction.

4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

A plot plan is attached as Attachment B, III, (A).

- (B) 1. **Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.**

RHJ is on the North Side line of the Jackson Transit Authority public bus line. It is located directly off U.S. Highway 45, just a few miles off Interstate 40, and is easily accessible by private vehicles.

- IV. **Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.**

NOTE: DO NOT SUBMIT BLUEPRINTS. Simple line drawings should be submitted and need not be drawn to scale.

A floor plan drawing is attached as Attachment B, IV.

- V. **For a Home Health Agency or Hospice, identify:**

N/A.

1. **Existing service area by County;**
2. **Proposed service area by County;**
3. **A parent or primary service provider;**
4. **Existing branches; and**
5. **Proposed branches.**

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care.” The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate “Not Applicable (NA).”

QUESTIONS

I. NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee’s Health: Guidelines for Growth.

Five Principles for Achieving Better Health from the Tennessee State Health Plan:

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

Every person’s health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

This is a policy statement to which no response is necessary.

2. Access to Care

Every citizen should have reasonable access to health care.

Many elements impact one’s access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide

standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

This project will improve access to care by increasing surgical capacity at RHJ.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.

This project will improve efficiencies at RHJ. The additional OR capacity will help in scheduling surgical cases, resulting in greater convenience for patients and surgeons. The renovated and new surgical department space will also improve patient flow and throughput, likewise improving efficiencies.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.

RHJ is in good standing with all licensing and certifying institutions. RHJ will continue to provide high quality and compassionate patient care.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.

RHJ maintains a health care workforce commensurate with the needs of its medical staff and its patients. RHJ participates in a large number of training programs for students in the nursing and allied health fields.

- a. **Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.**

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS (Guidelines for Growth)

1. **Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.**

N/A. This project involves none of the above.

2. **For relocation or replacement of an existing licensed health care institution:**

N/A. This project does not involve the relocation or replacement of a health care institution.

- a. **The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.**
- b. **The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.**

3. **For renovation or expansions of an existing licensed health care institution:**

- a. **The applicant should demonstrate that there is an acceptable existing demand for the proposed project.**

The renovation of the existing surgical department is long overdue, and is not dependent on surgical volume for its justification. There is a need for updating, and re-design for better patient through-put. The additional ORs are justified based on growing volume and the efficiencies of adding capacity during the midst of a major renovation project, as opposed to adding capacity later and causing additional disruption, as well as higher cost.

There are no criteria or guidelines as to threshold utilization of hospital based ORs. The number of cases per OR has steadily grown from 677 cases per OR in 2013 to 710 cases per OR in 2014, and annualized through April 2015 the number of cases per OR is 725.

- b, **The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.**

The surgical department has not been renovated or updated in many years. The finishes and equipment needs updating. The lay-out is inefficient. Patients and medical staff alike will benefit from the more efficient lay-out and design. There are no criteria or guidelines as to threshold utilization of hospital based ORs. The number of cases per OR

has steadily grown from 677 cases per OR in 2013 to 710 cases per OR in 2014, and annualized through April 2015 the number of cases per OR is 725.

b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c)

N/A.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

There are no long-range plans relevant to this project.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11"

The primary service area for this project consists of Madison, Gibson, Henderson, and Dyer counties. Residents of these counties accounted for approximately 52% of the admissions to RHJ in 2013. RHJ had admissions of residents of 20 additional counties, but no single county accounted for more than 6% of the total admissions. Since no new service or additional beds are involved in this project, it is felt the 4 county primary service area is a reasonable metric.

A map of the service area is attached as Attachment C, I, Need, 3.

4. A. Describe the demographics of the population to be served by this proposal.

A table reflecting a population and demographics profile is attached as Attachment C, I, Need, 4.

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Every service area county but one has a greater proportion of elderly (65+) residents than the state as a whole. The average proportion of elderly residents in the four counties is 17% whereas the proportion of elderly population for the state as a whole is 15.5%. To serve this elderly population RHJ participates in the Medicare program. The Medicare mix for the hospital is approximately 49%.

Every county in the service has a higher proportion of TennCare enrollees than the state as a whole. The average TennCare enrollee proportion for the service area is 24% whereas the state-wide proportion is 20%. To serve this TennCare population,

RHJ participates in the TennCare program and is contracted with all of the TennCare MCOs in the region. The TennCare payor mix for the hospital is approximately 14%.

- 5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.**

There are six hospitals in addition to RHJ which provide surgical services in the service area. The largest hospital provider of surgical services is Jackson Madison County General Hospital, also located I Madison County. A table reflecting the surgical utilization of the hospitals in the service area is attached as Attachment C, I, Need, 5.

This project will increase surgical capacity at RHJ by the addition of 2 new operating rooms, increasing the total number of ORs from 5 to 7. There are no need criteria or guidelines applicable to a hospital increasing its surgical capacity.

- 6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.**

Historical Surgical Cases

| | |
|---------------------|-------|
| 2012: | 5,696 |
| 2013: | 4,653 |
| 2014: | 5,276 |
| 2015: (Annualized): | 5,382 |

Projected Surgical Cases

| | |
|----------------|-------|
| Year 1 (2017): | 6,206 |
| Year 2 (2018): | 6,730 |

II. ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- **All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)**
- **The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.**
- **The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.**

For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

A complete Project Cost Chart is attached following this page.

A letter from the architect is attached as Attachment C, II, Economic Feasibility, 1.

PROJECT COSTS CHART

| | | |
|----|---|-----------------|
| A. | Construction and equipment acquired by purchase: | |
| | 1. Architectural and Engineering Fees | \$ 541,900.00 |
| | 2. Legal, Administrative, Consultant Fees | \$30,000 |
| | 3. Acquisition of Site | |
| | 4. Preparation of Site | |
| | 5. Construction Costs | \$ 4,492,944.00 |
| | 6. Contingency Fund | \$ 229,245.00 |
| | 7. Fixed Equipment (Not included in Construction Contract) | |
| | 8. Moveable Equipment (List all equipment over \$50,000.00) | \$ 3,258,881.00 |
| | 9. Other (Specify) _____ | |
| B. | Acquisition by gift donation, or lease: | |
| | 1. Facility (Inclusive of building and land) | |
| | 2. Building Only | |
| | 3. Land Only | |
| | 4. Equipment (Specify) _____ | |
| | 5. Other (Specify) _____ | |
| C. | Financing Costs and Fees: | |
| | 1. Interim Financing | |
| | 2. Underwriting Costs | |
| | 3. Reserve for One Year's Debt Service | |
| | 4. Other (Specify) <u>Capitalized Interest</u> | \$ 292,030.00 |
| D. | Estimated Project Cost (A+B+C) | \$ 8,845,000.00 |
| E. | CON Filing Fee | \$ 19,901.25 |
| F. | Total Estimated Project Cost (D & E) | \$ 8,864,901.25 |
| | TOTAL | \$ 8,864,901.25 |

Equipment Cost in Excess of \$ 50,000.00

| <u>Equipment</u> | <u>Cost</u> |
|--|--------------------|
| X-Ray Unit, C-Arm, Mobile | \$280,000.00 |
| Allowance, Video System, Surgical | \$120,000.00 |
| Sterilizer, Steam, Cabinet | \$ 54,398.00 |
| Anesthesia Machine, General | \$ 50,000.00 |
| Integration System Surgical, Allowance | \$ 50,000.00 |
| Allowance, Surgical Instruments | \$ 50,000.00 |
| Table, Imaging, Rad/Fluoro, C-arm | \$ 74,870.00 |
| Table, Surgical, Orthopedic | \$ 68,750.00 |
| X-Ray Unit, C-Arm, Mini | \$ 60,000.00 |

2. Identify the funding sources for this project.

- a. Please check the applicable item(s) below and briefly summarize how the project will be financed. (*Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.*)**

- ☐ **A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;**
- ☐ **B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;**
- ☐ **C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.**
- ☐ **D. Grants--Notification of intent form for grant application or notice of grant award; or**
- ☒ **E. Cash Reserves--Appropriate documentation from Chief Financial Officer.**

A funding letter from an authorized representative of the applicant is attached as Attachment C, II, Economic Feasibility, 2.

- ☐ **F. Other—Identify and document funding from all other sources.**

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

The total estimated project cost is \$8,845,000 exclusive of the filing fee. Of this approximately \$4.3 million is construction cost, and approximately \$3.2 million is equipment cost. The construction costs are reasonable as verified by the project architect in Attachment C, I, Need, 5. The equipment quotes were negotiated in an arms-length transaction among experienced business people, and are likewise reasonable.

The estimated cost per square foot of new construction is \$731.25 and the estimated cost per square foot of renovated space is \$186.25. The estimated cost per square foot for total new construction and renovated space is 343.73.

The median cost of total hospital construction for CON-approved projects for 2011-2013 is \$227.88 per square foot. The likely reasons the construction cost per square foot of this project is higher than the median of approved costs is that this is surgical department renovation/construction which is generally higher than for lower intensity settings in hospitals. Inflation since 2013, especially in the construction industry, is also a factor.

The estimated construction cost is commercially reasonable, as attested to by the project architect in Attachment C, I, Need, 5.

4. **Complete Historical and Projected Data Charts on the following two pages--Do not modify the Charts provided or submit Chart substitutions! Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).**

A completed Historical Data Chart for Regional Hospital of Jackson is attached following this page.

A Projected Chart for the incremental growth in the surgical department is attached following this page.

HISTORICAL DATA CHART

Give information for the last three (3) years for which complete data are available for the facility or agency.

| | Year: 2012 | Year: 2013 | Year: 2014 |
|--|----------------------|---------------------|---------------------|
| A. Utilization/Occupancy Data (Admissions) | 6,962 | 5,522 | 5633 |
| B. Revenue from Services to Patients | | | |
| 1. Inpatient Services | \$425,707,481 | \$401,216,057 | \$403,646,224 |
| 2. Outpatient Services | \$247,596,079 | \$253,290,838 | \$211,010,723 |
| 3. Emergency Services | \$30,972,924 | \$29,717,095 | \$31,910,123 |
| 4. Other Operating Revenue | \$455,061 | \$484,126 | \$445,646 |
| Specify: Cafeteria | | | |
| Gross Operating Revenue | \$704,731,545 | \$684,708,116 | \$647,012,716 |
| C. Deductions from Operating Revenue | | | |
| 1. Contract Deductions | \$590,760,352 | \$585,837,677 | \$553,692,223 |
| 2. Provision for Charity Care | \$964,826 | \$2,580,123 | \$90,348 |
| 3. Provision for Bad Debt | \$11,971,302 | \$10,389,094 | \$11,429,725 |
| Total Deductions | \$603,696,480 | \$598,806,894 | \$565,212,296 |
| NET OPERATING REVENUE | \$101,035,065 | \$85,901,222 | \$81,800,420 |
| D. Operating Expenses | | | |
| 1. Salaries and Wages | \$33,206,565 | \$30,678,222 | \$30,578,490 |
| 2. Physicians' Salaries and Wages | \$0 | \$0 | \$0 |
| 3. Supplies | \$19,644,159 | \$17,432,785 | \$14,149,496 |
| 4. Taxes | \$5,491,870 | \$5,223,813 | \$5,049,584 |
| 5. Depreciation | \$4,316,546 | \$4,983,102 | \$5,122,903 |
| 6. Rent | \$1,192,505 | \$1,301,926 | \$1,211,071 |
| 7. Interest, other than Capital | \$4,796,120 | \$4,330,652 | \$3,663,880 |
| 8. Management Fees: | | | |
| a. Fees to Affiliates | | | |
| b. Fees to Non-Affiliates | | | |
| 9. Other Expenses | \$14,162,812 | \$11,563,096 | \$14,039,450 |
| Specify: See Attached | | | |
| Total Operating Expenses | \$82,810,577 | \$75,513,596 | \$73,814,854 |
| E. Other Revenue (Expenses)--Net | | | |
| Specify: | | | |
| NET OPERATING INCOME (LOSS) | \$18,224,488 | \$10,387,626 | \$7,985,566 |
| F. Capital Expenditures | | | |
| 1. Retirement of Principal | | | |
| 2. Interest | | | |
| Total Capital Expenditures | \$0 | \$0 | \$0 |
| NET OPERATING INCOME (LOSS) | \$18,224,488 | \$10,387,626 | \$7,985,566 |
| LESS CAPITAL EXPENDITURES | \$0 | \$0 | \$0 |
| NOI LESS CAPITAL EXPENDITURES | \$18,224,488 | \$10,387,626 | \$7,985,566 |

Listing of Other Expenses

| | 2012 | 2013 | 2014 | | |
|-----------------------|-------------------|-------------------|-------------------|------------|---------|
| Medical Spec Fees | 3,763,602 | 4,226,927 | 4,353,559 | 589,957 | 126,632 |
| Purchased Services | 6,305,755 | 6,162,793 | 6,968,028 | 662,273 | 805,235 |
| Physician Recruiting | 32,172 | 7,141 | 1,028 | -31,144 | -6,113 |
| Repairs & Maintenance | 1,406,921 | 1,277,356 | 1,714,292 | 307,371 | 436,936 |
| Marketing | 223,350 | 177,789 | 302,259 | 78,909 | 124,470 |
| Utilities | 850,301 | 864,951 | 927,009 | 76,708 | 62,058 |
| Other Operating Exp | 968,240 | 1,094,832 | 1,178,217 | 209,977 | 83,385 |
| HITECH Incentives | -37 | -2,525,680 | (1,688,756) | -1,688,719 | 836,924 |
| Minority Interest | 612,508 | 276,987 | 283,814 | -328,694 | 6,827 |
| | <u>14,162,812</u> | <u>11,563,096</u> | <u>14,039,450</u> | | |
| | 14,162,849 | 14,088,776 | 15,728,206 | 1,565,357 | |

PROJECTED DATA CHART (New ORs - Incremental case volume)

Give information for the two (2) years following completion of this proposal. The fiscal year begins in 2017.

| | Year 1: 2017 | Year 2: 2018 |
|--|----------------------|----------------------|
| A. Utilization/Occupancy Data (Specify unit of measure). | 717 | 524 |
| B. Revenue from Services to Patients | | |
| 1. Inpatient Services | \$ 23,582,936 | \$ 39,588,572 |
| 2. Outpatient Services | \$ 11,649,348 | \$ 19,555,710 |
| 3. Emergency Services | \$ - | \$ - |
| 4. Other Operating Revenue (Specify) _____ | \$ - | \$ - |
| Gross Operating Revenue | \$ 35,232,284 | \$ 59,144,282 |
| C. Deductions from Operating Revenue | | |
| 1. Contractual Adjustments | \$ 31,143,634 | \$ 52,280,683 |
| 2. Provisions for Charity Care | \$ 528,484 | \$ 887,164 |
| 3. Provisions for Bad Debt | \$ 17,801 | \$ 29,882 |
| Total Deductions | \$ 31,689,919 | \$ 53,197,729 |
| NET OPERATING REVENUE | \$ 3,542,365 | \$ 5,946,553 |
| D. Operating Expenses | | |
| 1. Salaries and Wages | \$ 82,556 | \$ 138,587 |
| 2. Physicians' Salaries and Wages | \$ - | |
| 3. Supplies | \$ 775,110 | \$ 1,301,174 |
| 4. Taxes | \$ 14,168 | \$ 23,784 |
| 5. Depreciation | \$ 774,340 | \$ 774,340 |
| 6. Rent | \$ 30,300 | \$ 50,864 |
| 7. Interest, other than Capital | \$ 620,550 | \$ 620,550 |
| 8. Management Fees: | | |
| a. Fees to Affiliates | | |
| b. Fees to Non-Affiliates | | |
| 9. Other Expenses | \$ 785,680 | \$ 1,318,917 |
| Specify: See attached _____ | | |
| Total Operating Expenses | \$ 3,082,704 | \$ 4,228,216 |
| E. Other Revenue (Expenses)--Net | | |
| Specify: _____ | | |
| NET OPERATING INCOME (LOSS) | \$ 459,661 | \$ 1,718,337 |
| F. Capital Expenditures | | |
| 1. Retirement of Principal | | |
| 2. Interest | | |
| Total Capital Expenditures | \$ - | \$ - |
| NET OPERATING INCOME (LOSS) | \$ 459,661 | \$ 1,718,337 |
| LESS CAPITAL EXPENDITURES | \$ - | \$ - |
| NOI LESS CAPITAL EXPENDITURES | \$ 459,661 | \$ 1,718,337 |

List of Other Expenses

| | Year 1: 2017 | Year 2: 2018 |
|-----------------------|----------------|------------------|
| Medical Fees | 458,020 | 768,876 |
| Purch Serv | 147,976 | 248,406 |
| Phys Recru | 0 | 0 |
| Repairs & Maint | 49,325 | 82,802 |
| Marketing | 10,570 | 17,743 |
| Utilities | 52,848 | 88,716 |
| Other Oper | 66,941 | 112,374 |
| | | |
| Other Expenses | 785,680 | 1,318,917 |

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Average Gross Charge: \$58,043
Average Deduction: \$52,207
Average Net Charge: \$5,836

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Due to the large number of surgical DRGs utilized by the surgical department it would be impractical to attach a copy. It would involve approximately 1,00 such DRG and APC schedule.

RHJ's net revenue to gross charges on Medicare surgical cases runs approximately 8%-10%. The average gross and net charges relevant to this project are reflected above.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

As far as the applicant can determine, such comparative charges are not publicly available. As explained above, RHJ has a very low net revenue to gross charge ratio.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

As reflected in the Projected Data Chart, the project will be cost-efficient and will produce a strong positive NOI in Year 1 and thereafter.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

As reflected in the Projected Data Chart, the project will be financially viable and have a positive cash flow in Year 1 and thereafter.

9. **Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.**

RHJ participates in both Medicare and TennCare. It contracts with all four of the TennCare MCOs in the region.

RHJ's Medicare and TennCare mix, and the anticipated net revenues for this project from each program in Year 1 are reflected below:

| | | |
|-----------|-----|-------------|
| Medicare: | 49% | \$1,735,759 |
| TennCare: | 14% | \$495,931 |

10. **Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.**

Financial statements for the applicant are attached as Attachment C, II, Economic Feasibility, 10.

11. **Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:**

- a. **A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.**

No less costly, more effective or more efficient alternatives were identified. This project has been carefully planned and considered by the executive management of RHJ as well as that of the parent company, with input from the medial staff and other stakeholders.

- b. **The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing**

arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

No such superior alternatives were identified. This project will make maximum best use of existing space, while adding minimal space necessary to maximize efficiencies in the surgical department at RHJ.

(III.) CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

- 1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.**

A list of such contracts is attached as Attachment C, III, Orderly Development, 1.

- 2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.**

This project will clearly have a positive effect on the patients and medical staff of RHJ. It will provide a more efficient lay-out and design for the surgical department as well as update the existing physical plant and equipment. The new construction will allow existing ORs to be made larger to accommodate and be in compliance with current room size standards, and add moderate additional OR capacity for current and future growth.

This project should not have any negative impact on other providers in the service area. Most hospitals, even competing hospitals, understand it is necessary for facilities to update and moderately expand as necessary to keep up with demand and to remain competitive in the market.

- 3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.**

A listing of the current and proposed staffing of the surgical department is attached as Attachment C, III, Orderly Development, 3. This project will increase staffing by a total of 9 FTE positions.

Very few of these positions could be found as listed on the Department of Labor and Workforce development website. The following were listed:

| <u>Position</u> | <u>Median Wage</u> |
|--|--------------------|
| RN | \$23.10 |
| Surgical Technologist | \$15.70 |
| Healthcare Support Workers (all other) | \$15.05 |

4. **Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.**

RHJ maintains compliance with all applicable licensing requirements. RHJ is a major employer in the area, and also has the support of its parent company in recruiting as securing the needed workforce. The applicant expects to encounter no problem in securing the needed staffing.

5. **Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.**

RHJ maintains compliance with all applicable regulations regarding medical staffing and related matters, and will continue to do so.

6. **Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).**

A list of RHJ's affiliations with student training programs is attached as Attachment C, III, Orderly Development, 6.

7. (a) **Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.**

The applicant so verifies.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: Tennessee Department of Health, Board for Licensing Health Care Facilities

Accreditation: Joint Commission on Accreditation of Healthcare Organizations

If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

RHJ is in good standing with all licensing, certifying and accrediting agencies. A copy of the license is attached as Attachment C, III, Orderly Development, 7.

8. **For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.**

A copy is attached as Attachment C, III, Orderly Development, 8.

9. **Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.**

None

10. **Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.**

None

11. **If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.**

If the proposal is approved, the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

The Publication of Intent was published in the Jackson Sun, a newspaper of general circulation in Madison County, Tennessee on May 10, 2015. A Publisher's Affidavit has been requested, and will be provided when received.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- 1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

A Project Completion Forecast Chart is attached on the following page.

- 2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the “good cause” for such an extension.**

N/A.

Form HF0004
Revised 05/03/04
Previous Forms are obsolete

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c):
August, 2015

Assuming the CON approval becomes the final agency action on that date; indicate the number of days **from the above agency decision date** to each phase of the completion forecast.

| PHASE | DAYS REQUIRED | ANTICIPATED DATE (Month/Year) |
|--|------------------|-------------------------------------|
| 1. Architectural and engineering contract signed | 30 | September, 2015 |
| 2. Construction documents approved by the Tennessee Department of Health | 160 | January, 2016 |
| 3. Construction contract signed | 170 | February, 2016 |
| 4. Building permit secured | 180 | February, 2016 |
| 5. Site preparation completed | 200 | April, 2016 |
| 6. Building construction commenced | 230 | May, 2016 |
| 7. Construction 40% complete | 360 | September, 2016 |
| 8. Construction 80% complete | 520 | March, 2017 |
| 9. Construction 100% complete (approved for occupancy) | 600 | May, 2017 |
| 10. *Issuance of license | 630 | June, 2017 |
| 11. *Initiation of service | 630 | June, 2017 |
| 12. Final Architectural Certification of Payment | 630 | June, 2017 |
| 13. Final Project Report Form (HF0055) | 660 | July, 2017 |

*** For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.**

LIST OF ATTACHMENTS

Regional Hospital of Jackson

| | |
|--|---|
| Organizational documentation | <u>Attachment A, 4</u> |
| Special Warranty Deed | <u>Attachment A, 6</u> |
| Surgical Utilization Hospitals in Service Area | <u>Attachment C, I, Need, 5</u> |
| Plot Plan | <u>Attachment B, III, (A)</u> |
| Floor Plan | <u>Attachment B, IV</u> |
| Map of the Service Area | <u>Attachment C, I, Need, 3</u> |
| Population and Demographics Profile | <u>Attachment C, I, Need, 4</u> |
| Architect Letter | <u>Attachment C, II, Economic Feasibility, 1</u> |
| Funding Letter | <u>Attachment C, II, Economic Feasibility, 2</u> |
| Financial Statements | <u>Attachment C, II, Economic Feasibility, 10</u> |
| Health Care Provider Contracts | <u>Attachment C, III, Orderly Development, 1</u> |
| Current and Proposed Staffing | <u>Attachment C, III, Orderly Development, 3</u> |
| Student Traing Affiliations | <u>Attachment C, III, Orderly Development, 6</u> |
| Hospital License | <u>Attachment C, III, Orderly Development, 7</u> |
| Survey Results | <u>Attachment C, III, Orderly Development, 8</u> |

[Department Home](#) | [Contact Us](#) | Search:

Go

[Administrative Hearings](#) | [Business Services](#) | [Charitable Fundraising](#) | [Elections](#) | [Library & Archives](#) | [Publications](#)

[Home](#) | [Apostilles/Authentications](#) | [Corporations](#) | [Summons](#) | [Trademarks](#) | [UCC](#) | [Workers' Comp Exemption](#) | [More Services](#)

Business Services Online > Find and Update a Business Record > Business Entity Detail

Business Entity Detail

Available Entity Actions

File Annual Report (after 12/01/2015)

[Certificate of Existence](#)[Modify Mailing Address](#)

Entity details cannot be edited. This detail reflects the current state of the filing in the system.

Return to the [Business Information Search](#).

000435835: Limited Liability Company - Domestic

[Printer Friendly Version](#)**Name:** JACKSON, TENNESSEE HOSPITAL COMPANY, LLC**Status:** Active**Formed In:** TENNESSEE**Fiscal Year Close:** December**Term of Duration:** Perpetual**Principal Office:** 4000 MERIDIAN BLVD
FRANKLIN, TN 37067-6325 USA**Mailing Address:** 4000 MERIDIAN BLVD
FRANKLIN, TN 37067-6325 USA**AR Exempt:** No**Managed By:** Board Managed**Initial Filing Date:** 10/29/2002**Delayed Effective Date:****AR Due Date:** 04/01/2016**Inactive Date:****Obligated Member Entity:** No**Number of Members:** 16

Assumed Names

History

Registered Agent

Name

Sleep Diagnostics of Jackson
REGIONAL HOSPITAL OF JACKSON
CARDIOVASCULAR SURGERY CENTER OF WEST TENNESSEE

Status

Active
Active
Inactive - Name Expired

Expires

10/27/2019
12/27/2017
09/10/2008

Business Services Division
312 Rosa L. Parks Avenue, Snodgrass Tower, 6th Floor
Nashville, TN 37243

615-741-2286

[Email](#) | [Directions](#) | [Hours and Holidays](#) | [Methods of Payment](#)
[Contact Us](#) | [Site Map](#) | [Web Policies](#) | [Disclaimer](#) | [Department of State](#) | [Tennessee.gov](#)

© 2014 Tennessee Department of State

THIS INSTRUMENT PREPARED BY:
 Barrett B. Sutton, Jr., Esq.
 Waller Lansden Dortch & Davis,
 A Professional Limited Liability Company
 511 Union Street, Suite 2100
 Nashville, Tennessee 37219

STATE OF TENNESSEE)
 COUNTY OF Davidson)

The actual consideration or value,
 whichever is greater, for this transfer
 is \$ 42,640.00

[Signature] VP
 Affiant

Subscribed and sworn to before me
 this 2nd day of January, 2003

[Signature]
 Notary Public

My Commission Expires:
 My Commission Expires OCT. 25, 2003

WHEN RECORDED, RETURN TO:
 First National Financial Title
 15 Century Blvd., Suite 101
 Nashville, TN 37214

| ADDRESS OF NEW OWNER: | SEND TAX BILL TO: | MAP-PARCEL NO. |
|------------------------------|-------------------|-----------------|
| Jackson, Tennessee Hospital | | 44O-A-44J-23.00 |
| Company, LLC | | 44O-A-44J-22.00 |
| c/o CHS/Community Health | | 44K-A-12.00 |
| Systems, Inc. | | 44J-A-44J-17.00 |
| 155 Franklin Road, Suite 400 | SAME | 44J-A-44J-18.00 |
| Brentwood, TN 37027 | | 44J-A-44J-21.00 |

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the sum of TEN DOLLARS (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, Central Tennessee Hospital Corporation, a Tennessee corporation ("Grantor"), has bargained and sold, and by these presents does transfer and convey unto Jackson, Tennessee Hospital Company, LLC, a Tennessee limited liability company ("Grantee"), the successors and assigns of Grantee, certain tracts or parcels of land in Madison County, Tennessee, described in Exhibit "A" attached hereto (the "Property").

The Property is conveyed subject to all of the matters set forth or referred to in Exhibit "B" attached hereto (collectively, the "Permitted Encumbrances").

Exhibits "A" and "B" are incorporated herein by reference.

Madison County Assessor
44J-A-23.00
 Map 4264 Vol 2-2-03

TO HAVE AND TO HOLD the Property, together with all improvements thereon and all appurtenances thereunto belonging unto Grantee, its successors and assigns forever.

AND GRANTOR DOES COVENANT with Grantee, its successors and assigns, that Grantor is lawfully seized and possessed of such fee simple title to the Property; that Grantor has a good and lawful right to sell and convey the same; and that except for the Permitted Encumbrances, the Property is free from all liens, rights, claims, encumbrances and restrictions arising by, through or under Grantor.

AND GRANTOR DOES FURTHER COVENANT and bind itself, its successors and assigns, to warrant and defend title to the Property to Grantee against the lawful claims and demands of all persons claiming by, through or under Grantor (other than the rights, interest, and claims described or referred to in the Exhibits), but not otherwise.

Executed this 31 day of December, 2002, and effective as of the 1st day of January, 2003.

GRANTOR:

CENTRAL TENNESSEE HOSPITAL
CORPORATION,
a Tennessee corporation

By: V. Carl George
V. Carl George
Vice President

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared V. Carl George, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be Vice President of Central Tennessee Hospital Corporation, a Tennessee corporation, the within named bargainer, and that he, as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such Vice President.

Witness my hand and seal, at office in Nashville, Tennessee, this 31st day of December, 2002.

Melanie D. Simpson
Notary Public

My Commission Expires: 08/25/03

Exhibit A
To Special Warranty Deed

Property Description

LOT 1A:

Lot 1A, Phase One, Revised Final Plat of Peach Orchard Center recorded in Plat Book 6, Page 200, in the Madison County Register's Office in Jackson, Tennessee, more particularly described as follows:

BEGINNING at a point in the west line of Hospital Boulevard, at the Northeast corner of Lot 1C of said subdivision; thence South $87^{\circ}37'54''$ West along the North line of said Lot 1C, a distance of 207.63 feet to a point at the northwest corner of said Lot 1C and in the East line of Lot 1B of said subdivision; thence North $02^{\circ}14'18''$ west with the East line of said Lot 1B, a distance of 10.75 feet to a point; thence south $87^{\circ}39'05''$ West with the North line of said Lot 1B, a distance of 204.36 feet to a point in the West line of the Highway 45 By-Pass; thence North $02^{\circ}14'47''$ West along the East line of the Highway 45 By-Pass, a distance of 221.41 feet to a point; thence North $11^{\circ}55'49''$ West, a distance of 59.66 feet to a point at the southwest corner of Lot 2, Phase One Peach Orchard Center, recorded in Plat Book 5, Page 303, in the Madison County Register's Office in Jackson, Tennessee; thence North $89^{\circ}49'34''$ East along the south line of said Lot 2, a distance of 452.84 feet to a point in the west line of Hospital Boulevard and in a curve concave to the west having a radius of 2763.93 feet and a central angle of $05^{\circ}42'47''$ and being subtended by a chord which bears south $04^{\circ}06'54''$ West 275.48 feet; thence southwardly along said curve, a distance of 275.59 feet to the point of beginning, containing 2.74 acres, more or less according to Survey by Christopher M. Young, P. E. R.L.S. Tennessee Certificate No. 2262, dated 11/04/02.

Being the same property conveyed to General Care Corp. in Warranty Deed from Wolfe Fields Investments, a Tennessee General Partnership composed of Wesley Wolfe, Geoffrey W. Fields and wife, Mary Alice Fields, dated 7/19/95 and recorded 7/21/95 in Book 554, Page 285, Register's Office of Madison County, Tennessee. General Care Corp. merged with and into Central Tennessee Hospital Corporation on June 1, 1998.

LOT 2:

Lot 2, Phase One, Peach Orchard Center recorded in Plat Book 5, Page 303, in the Madison County Register's Office in Jackson, Tennessee, more particularly described as follows:

BEGINNING at a point in the west line of Hospital Boulevard and at the Southeast corner of Lot 21 of the Jackson Medical Park recorded in Plat Book 5, Page 190B in the Madison County Register's Office in Jackson, Tennessee; thence North $76^{\circ}46'04''$ West along the South line of said Lot 21, a distance of 35.95 feet to a point; thence South $85^{\circ}21'06''$ West along the South line of said Lot 21, a distance of 460.44 feet to a point in the East line of Highway 45 By-Pass; thence South $12^{\circ}14'44''$ East along the East line of the Highway 45 By-Pass, a distance of 143.39 feet to a point at the northwest corner of Lot 1A Phase One Revised Final Plat Peach Orchard Center recorded in Plat Book 6, Page 200 in the Madison County Register's Office in Jackson Tennessee; thence North $89^{\circ}49'34''$ East along the North line of said Lot 1A, a distance of 452.84 feet to a point in the West Line of Hospital Boulevard and in a curve

concave to the west having a radius of 2763.93 feet and a central angle of $0^{\circ}55'12''$ and being subtended by a chord which bears North $00^{\circ}47'54''$ East 44.38 feet; thence northwardly along said curve a distance of 44.38 feet to a point; thence North $00^{\circ}10'28''$ East, a distance of 45.61 feet to the beginning of a curve concave to the east having a radius of 332.76 feet and a central angle of $13^{\circ}32'44''$ and being subtended by a chord which bears North $07^{\circ}15'18''$ East 78.49 feet; thence Northwardly along said curve, a distance of 78.67 feet to the point of beginning, containing 1.72 acres, more or less, according to Survey by Christopher M. Young, P. E. R.L.S. Tennessee Certificate No. 2262, dated 11/04/02.

Being the same property conveyed to General Care Corp. in Warranty Deed from Florence W. Hornsby, John E. Everett and wife, Sally S. Everett, and Jon A. Reeves and wife, Beverly A. Reeves, dated 1/14/93 and recorded 2/1/93 in Book 526, Page 05, Register's Office of Madison County, Tennessee.

LOT 6:

A tract of land situated in Jackson, Madison County, Tennessee, being Lot 6 Jackson Medical Park of record in Plat Book 6, Page 227, in the Madison County Register's Office in Jackson, TN, more particularly described as follows:

Beginning at a point in the East line of Physicians Drive and at the southwest corner of Lot 8 of said subdivision; thence North $89^{\circ}54'52''$ East along the South line of said Lot 8, a distance of 207.71 feet to a point in the West line of the Belle Meade Subdivision; thence South $00^{\circ}05'17''$ East along the West line of Belle Meade Subdivision a distance of 232.50 feet to a point at the northeast corner of Lot 5 of the Jackson Medical Park recorded in Plat Book 5, Page 190B in the Madison County Register's Office in Jackson, Tennessee; thence South $89^{\circ}54'52''$ West along the North line of said Lot 5, a distance of 207.58 feet to a point in the East line of Physicians Drive; thence North $00^{\circ}07'13''$ West, a distance of 232.50 feet to the point of beginning containing 1.11 acres, more or less, according to a survey dated 11/04/02 by Christopher M. Young, P.E., R.L.S., Tenn. Certificate No. 2262.

Being the same property conveyed to General Care Corp. in Corrective Deed from Hospital Corporation of America, dated 10/10/91 and recorded 10/21/91 in Book 512, Page 447, Register's Office of Madison County, Tennessee. (See also Book 507, Page 22)

LOT 11:

A tract of land situated in Jackson, Madison County, Tennessee, being Lot 11 Jackson Medical Park of record in Plat Book 5, Page 190B, in the Madison County Register's Office in Jackson, TN, more particularly described as follows:

Beginning at a point at the Northeast corner of Lot 12, of said subdivision and in the Westerly line of Medical Park Court; thence South $89^{\circ}21'14''$ West a distance of 245.00 feet to a point in the East line of Lot 21 of said Subdivision; thence North $12^{\circ}09'59''$ East along the East line of said Lot 21, a distance of 80.00 feet to a point; thence North $22^{\circ}21'55''$ East along the east line of said Lot 21, a distance of 193.56 feet to a point in the South line of Lot 101 University Medical Park Subdivision; thence North $89^{\circ}14'59''$ East, a distance of 70.41 feet to a point at the northwest corner of Lot 10 the said Jackson Medical Park Subdivision; thence South $27^{\circ}50'47''$ East along the West line of said Lot 10, a distance of 238.56 feet to a point in the

Westerly line of Medical Park Court and in a curve concave to the southeast having a radius of 50.00 feet and a central angle of $62^{\circ}54'01''$ and being subtended by a chord which bears South $31^{\circ}37'50''$ West 52.18 feet; thence southwestwardly and southwardly along said curve, a distance of 54.89 feet to a point to the point of beginning containing 1.08 acres, more or less, according to a survey dated 11/04/02 by Christopher M. Young, P.E., R.L.S., Tenn. Certificate No. 2262.

Being the same property conveyed to General Care Corp. in Deed from SWLB, a Tennessee general partnership composed of J. Tyler Swinbdlle, Jimmy F. Webb, Donald R. Lewis, J. Michael Epps and Molly M. Rheney, dated 6/8/95 and recorded 7/12/95 in Book 554, Page 54, Register's Office of Madison County, Tennessee.

LOT 12:

A tract of land situated in Jackson, Madison County, Tennessee, being Lot 12 Jackson Medical Park of record in Plat Book 5, Page 190B, in the Madison County Register's Office in Jackson, TN, more particularly described as follows:

Beginning at a point in the Westerly line of Medical Park Court and at the Northwest corner of Lot 13 of said subdivision; thence South $21^{\circ}34'05''$ West, a distance of 223.39 feet to a point in the North line of Hospital Blvd., and in a curve concave to the South having a radius of 332.76 feet and a central angle of $14^{\circ}58'29''$ and being subtended by a chord which bears South $78^{\circ}01'33''$ West 86.72 feet; thence Westwardly along said curve, a distance of 86.97 feet to a point at the southeast corner of Lot 21 of said subdivision; thence North $30^{\circ}21'40''$ West along the East line of said Lot 21, a distance of 196.74 feet to a point; thence North $05^{\circ}50'01''$ West along the East line of said Lot 21, a distance of 100.39 feet to a point at the southwest corner of Lot 11 of said subdivision; thence North $89^{\circ}21'14''$ East along the south line of said Lot 11, a distance of 245.00 feet to a point in the Westerly line of Medical Park Court and in a curve concave to the Northeast, having a radius of 50.00 feet and a central angle of $68^{\circ}36'44''$ and being subtended by a chord which bears South $34^{\circ}07'33''$ East 56.36 feet; thence southwardly, southeastwardly and eastwardly along said curve, a distance of 59.88 feet to the point of beginning containing 1.20 acres, more or less, according to a survey dated 11/04/02 by Christopher M. Young, P.E., R.L.S., Tenn. Certificate No. 2262.

Being the same property conveyed to General Care Corp. in Deed from SWLB, a Tennessee general partnership composed of J. Tyler Swinbdlle, Jimmy F. Webb, Donald R. Lewis, J. Michael Epps and Molly M. Rheney, dated 6/8/95 and recorded 7/12/95 in Book 554, Page 54, Register's Office of Madison County, Tennessee.

LOT 20-B:

A tract of land situated in Jackson, Madison County, Tennessee, being Lot 20-B Revised Final Plat of Jackson Medical Park of record in Plat Book 5, Page 318, in the Madison County Register's Office in Jackson, TN

Beginning at a point in the East line of Hospital Boulevard at the Northwest corner of Lot 20A of said subdivision; thence North $00^{\circ}20'39''$ East along the East line of Hospital Boulevard, a distance of 216.80 feet to a point to the beginning of a curve concave to the southeast having a radius of 272.76 feet and a central angle of $72^{\circ}31'31''$ and being subtended by a chord which

bears North 36°44'42" East 322.67 feet; thence Northwardly, Northeastwardly and Eastwardly along said curve, a distance of 345.26 feet to a point at the Northwest Corner of Lot 16 of the Jackson Medical Park recorded in Plat Book 5, Page 190B in the Madison County Register's Office in Jackson, Tennessee; thence South 30°07'13" East along the West line of said Lot 16, a distance of 179.28 feet to a point; thence South 00°07'13" East along the west line of said Lot 16, a distance of 58.00 feet to a point at the Northwest corner of Lot 17 of said subdivision; thence South 12°12'54" East along the West line of said Lot 17 and Lot 18 of said subdivision, a distance of 270.39 feet to a point at the Northeast corner of Lot 20A of said Revised Final Plat Jackson Medical Park; thence North 89°40'01" West along the North line of said Lot 20A; a distance of 341.64 feet to the point of beginning.

Containing 2.80 acres, more or less, according to a survey dated 11/04/02 by Christopher M. Young, P.E., R.L.S., Tenn. Certificate No. 2262.

Being a portion of the same property conveyed to General Care Corp. in Deed of Correction dated 10/10/1991 and recorded 10/21/91 in Book 512, Page 447, Register's Office of Madison County, Tennessee (See also Book 507, Page 22).

LOT 21:

A tract of land situated in Jackson, Madison County, Tennessee, being Lot 21 Jackson Medical Park of record in Plat Book 5, Page 190B, in the Madison County Register's Office in Jackson, TN

Beginning at a point in the north line of Hospital Boulevard at the northeast corner of Lot 2, Phase One, Peach Orchard Center, recorded in Plat Book 5, Page 303 in the Madison County Register's Office in Jackson, Tennessee; thence North 76°46'04" West, along the north line of said Lot 2 a distance of 35.95 feet to a point at a found iron pin; thence south 85°21'06" West along the said North Line of Lot 2, a distance of 460.44 feet to a point at a found right-of-way marker and in the east line of Highway 45 by-pass; thence North 02°20'27" West along the east right of way line of Highway 45 by-pass; a distance of 691.04 feet to a point at an angle in the right of way; thence North 07°20'45" East along said right of way a distance of 90.07 feet, to a point at a set iron pin; thence North 89°14'59" East, a distance of 703.52 feet to a point at the northwest corner of Lot 11 of said Jackson Medical Park; thence South 22°21'55" West along the west line of said Lot 11, a distance of 193.56 feet to a point; thence South 12°09'59" West, a distance of 80.00 feet to a point at the northwest corner of Lot 12 of said subdivision; thence South 05°50'01" East along the west line of said Lot 12, a distance of 100.39 feet to a point; thence South 30°21'40" East along the west line of said Lot 12, a distance of 198.74 feet to a point in the north line of Hospital Boulevard and a point on a curve concave to the southeast having a radius of 332.76 feet and a central angle of 56°30'38" and being subtended by a chord which bears south 42°17'00" west 315.06 feet; thence westwardly, southwestwardly and southwardly along said curve and the North line of Hospital Boulevard, a distance of 328.20 feet to a point to the point of beginning.

Containing 11.01 acres, more or less, according to a survey dated 11/04/02 by Christopher M. Young, P.E., R.L.S., Tenn. Certificate No. 2262.

BK D636 PG 171

Being the same property conveyed to General Care Corp. in Deed of Correction dated 10/10/1991 and recorded 10/21/91 in Book 512, Page 447, Register's Office of Madison County, Tennessee (See also Book 507, Page 22).

Exhibit B
To Special Warranty Deed

Permitted Encumbrances

1. Rights of the public in streets and highways adjoining the Assets, if any.
2. Zoning and building laws, ordinances, resolutions and regulations.
3. Real estate taxes and assessments for public improvements which do not relate to periods prior to January 1, 1998.
4. Set back lines, easements, rights of way, encroachments, boundary line disputes and other matters which would be disclosed by an accurate survey and inspection of the Assets.
5. Restrictive covenants and easements of record.
6. A 20.79 foot Jackson Utility Division Utility Easement along the southern margin of Lot 1-A, and the most western and eastern 10-foot of said lot is subject to a utility and landscape easement Warranty Deed Book 554, Page 285, Official Records of Madison County, Tennessee.
7. All plat and subdivision matters of record in Plat Book 5, Page 303, Official Records of Madison County, Tennessee.
8. All Easements, Restrictions and setback lines as shown on the plat of record in Plat Book 6, Page 200, Official Records of Madison County, Tennessee.
9. Utility Easement in Deed Book 324, Page 193, Official Records of Madison County, Tennessee.
10. Easement recorded in DB 208, Page 291 and DB 221, Page 357, Official Records of Madison County, Tennessee.
11. All plat and subdivision matters of record in Plat Book 6, Page 227; Official Records of Madison County, Tennessee.
12. All plat and subdivision matters of record in Plat Book 5, Page 190, Official Records of Madison County, Tennessee.
13. All Covenants, Conditions and Restrictions in Plat Book 5, Page 318 Official Records of Madison County, Tennessee.
14. Utility Easements recorded in DB 499, Page 86.
15. Utility Easements recorded in DB 512, Page 447, Official Records of Madison County, Tennessee.

BK D636 PG 173

16. Covenants, Conditions and Restrictions contained in the Quitclaim Deed recorded in DB 507, page 22, Official Records of Madison County, Tennessee.

17. All matters disclosed on that certain survey of the Property prepared by Christopher M. Young and coordinated by International Land Services, Inc., dated November 4, 2002.

State of Tennessee, County of MADISON
Received for record the 13 day of
JANUARY 2003 at 9:32 AM. (REC# 640)
Recorded in Book D636 pages 165-173
State Tax \$57671.80 Clerks Fee \$ 1.00
Recordings \$ 47.00, Total \$ 57719.80,
Register of Deeds CURTIS WHITE
Deputy Register LINDA WALDON

SERVICE AREA HOSPITAL SURGICAL UTILIZATION

| Hospital | County | Total ORs | Encounters 2011 | Procedures 2011 | Encounters 2012 | Procedures 2012 | Encounters 2013 | Procedures 2013 | Encounters per OR 2013 |
|-----------------------------------|-----------|-----------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|
| Regional Hospital of Jackson* | Madison | 5** | 5,786 | 8,476 | 5,696 | 8,903 | 4,653 | 8,178 | 931 |
| Jackson -Madison County Hospital | Madison | 36 | 20,672 | 20,850 | 20,135 | 20,253 | 20,331 | 20,319 | 565 |
| Gibson General Hospital | Gibson | 2 | 168 | 168 | 189 | 189 | 0 | 132 | N/A |
| Humboldt General Hospital | Gibson | 2 | 208 | 208 | 0 | 0 | 76 | 0 | 38 |
| Milan General Hospital | Gibson | 3 | 849 | 849 | 0 | 0 | 0 | 1,214 | N/A |
| Henderson Co. Community Hospital | Henderson | 2 | 0 | 956 | 0 | 927 | 0 | 684 | N/A |
| Dyersburg Regional Medical Center | Dyer | 5 | 7,451 | 7,038 | 7,521 | 7,392 | 6,788 | 8,452 | 1,358 |

*The surgical volumes for RHJ reported in the Joint Annual Reports are erroneous. The volumes reported herein are taken from internal hospital records.

**Does not include 1 Cystology room

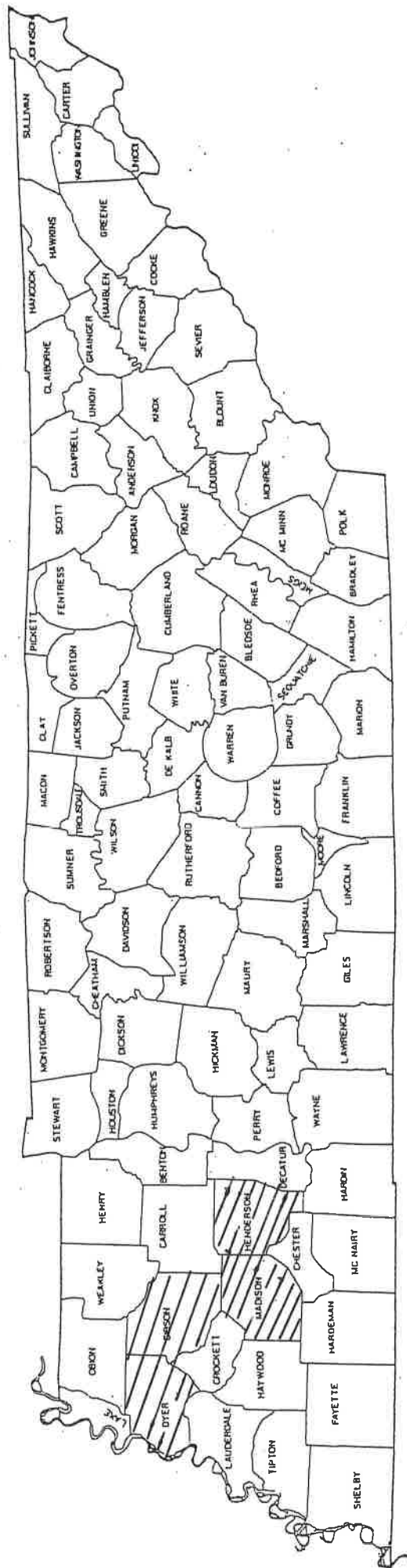
Sources: RHJ, Internal Hospital Records; Others, Joint Annual Reports



tm

Pharm., vol. 16, p. 10, 1997, P.L.G.
(1) no translation to us
Sept. 2001
Downloaded by: 193.50.103.93
015.077.077.710w
ALL rights reserved
www.pharmazoo.com
Pharmazoo AG
400000
Pharmazoo

Pharmazoo AG
Pharmazoo



| POPULATION AND DEMOGRAPHICS OF SERVICE AREA | | | | | |
|---|----------------|---------------|------------------|-------------|--------------------|
| Variable | Madison County | Gibson County | Henderson County | Dyer County | State of Tennessee |
| Current Year (2014), Age 65+ | 14,350 | 8,788 | 4,737 | 6,273 | 981,984 |
| Projected Year (2016), Age 65+* | 15,075 | 8,991 | 4,998 | 6,550 | 1,042,071 |
| Age 65+, % Change | 5.1% | 2.3% | 5.5% | 4.4% | 6.1% |
| Age 65+, % Total (PY) | 15.0% | 17.4% | 17.6% | 17.1% | 15.5% |
| CY, Total Population | 99,555 | 51,102 | 28,186 | 38,218 | 6,588,698 |
| PY, Total Population | 100,337 | 51,695 | 28,384 | 38,301 | 6,710,579 |
| Total Pop. % Change | 0.8% | 1.2% | 0.7% | 0.2% | 1.8% |
| TennCare Enrollees (November, 2014) | 22,897 | 12,332 | 6,654 | 9,913 | 1324208 |
| TennCare Enrollees as a % of Total Population(CY) | 23.0% | 24.1% | 23.6% | 25.9% | 20.1% |
| Median Age (2010) | 37 | 40 | 40 | 39 | 38 |
| Median Household Income ('09-'13) | \$41,617 | \$38,343 | \$38,280 | \$33,568 | \$44,298 |
| Population % Below Poverty Level ('09-'13) | 20.0% | 18.7% | 18.8% | 17.8% | 17.6 |

Sources: Population, <http://health.state.tn.us/statistics/CertNeed.shtml>; TennCare enrollment, TennCare Bureau website; Age, TACIR County Profiles website; Income and poverty level, Census Bureau QuickFacts.



TMPartners, PLLC

Architecture Interiors Planning

5210 Maryland Way, Suite 200
Brentwood, Tennessee 37027-5065
615.377.9773
www.tmpartners.com

Date May 04, 2015

To Mr. Charlie Miller
Chief Executive Officer
Regional Hospital of Jackson
367 Hospital Blvd
Jackson, TN 38305

Project Regional Hospital of Jackson
Surgery Addition and Renovation
Jackson, Tennessee
TMP No.: A03014

Dear Mr. Miller:

The construction cost estimate has been reviewed by TMPartners, PLLC. Based on our professional experience with design and construction of healthcare facilities, the cost estimate of \$4,492,944.00 with a contingency of \$229,245 appears appropriate for the scope of work required for this project.

This project will be designed and constructed to meet all of the following applicable codes:

Tennessee Department of Health

2012 International Building Code (IBC)
2012 International Mechanical Code
2012 International Plumbing Code
2012 International Fuel Gas Code
2011 National Electric Code
2012 International Energy Conservation Code
2012 NFPA 101 Life Safety Code
2002 North Carolina Accessibility Code with 2004 Amendments
2010 ADA Standards for Accessible Design
2010 FGI – Guidelines for Design and Construction of Health Care Facilities
2008 ASHRAE Handbook of Fundamentals

City Of Jackson

2006 International Building Code (IBC)
2006 International Mechanical Code
2006 International Plumbing Code
2006 International Fuel Gas Code
2005 National Electric Code
2006 International Energy Conservation Code
2006 International Fire Code
2012 NFPA 101 Life Safety Code
1999 North Carolina State Building/Accessibility Code Volume 1-C with 2002 Revisions and 2004 Amendments or Uniform Federal Accessibility Standards (UFAS) or Americans with Disability Guidelines

May 04, 2015

Project Regional Hospital of Jackson
Surgery Addition and Renovation
Jackson, Tennessee
TMP No.: A03014

Page 2

If you have any additional comments or questions, please feel free to contact me at 615-523-5234.

Sincerely,

A handwritten signature in black ink, appearing to read 'Drew Underwood', with a stylized, flowing script.

Drew Underwood, AIA, ACHA
Principal
TMPartners, PLLC

email copy: Keith Kizzire – CHSPSC
DU, KH
copy: A03014gf

p:\2014\A03014\owner\2015-05-04 for con\2015-05-04 construction cost letter.doc



May 11, 2015

State of Tennessee
Health Services and Development Agency
Andrew Jackson State Office Building
Nashville TN 37243

RE: Certificate of Need Application / Operating Room Renovation
Credit Worthiness
Regional Hospital of Jackson, TN

To Whom It May Concern:

CHS / Community Health Systems, Inc. the parent of Jackson, Tennessee Hospital Company LLC d/b/a Regional Hospital of Jackson has internal funds available for the commitment to the aforementioned project, with an approximate project cost of \$8,865,000 for operating room renovation.

CHS/Community Health Systems, Inc. had cash flow from operating activities of \$1,615 million in its fiscal year ended 12/31/14 and currently maintains a \$1,000 million revolving credit facility with current availability of \$812 million as of 5/1/15 to fund future cash needs. CHS / Community Health Systems, Inc. is committed to the project cost and will advance funds as necessary to complete the renovation.

Please do not hesitate to reach out if you need additional information. I can be reached at 615-465-7191 or anita_passarella@chs.net.

Regards,

Anita H. Passarella
Director Cash Management Treasury

COMMUNITY
HEALTH
SYSTEMS

4000 Meridian Boulevard

Franklin, TN 37067

Tel: (615) 465-7000

P.O. Box 689020

Franklin, TN 37068-9020

R H O F J A C K S O N J A C K S O N - T N
INCOME STATEMENT: I-57
FOR 12TH MONTH ENDED
DECEMBER 31, 2014

0 1 7 9

DATE: 4/10/15
TIME: 17:06:09

| ACTUAL | BUDGET | PR. YR. | ACTUAL | YEAR-TO-DATE BUDGET | PR. YR. |
|--------------------------|------------|------------|-------------|------------------------|-------------|
| Patient Revenue: | | | | | |
| 2,860,215 | 2,573,923 | 2,076,126 | 31,921,603 | 29,574,873 | 27,961,111 |
| 34,625,482 | 34,346,130 | 28,849,328 | 371,724,622 | 398,249,252 | 373,254,927 |
| 22,223,562 | 23,810,385 | 19,552,230 | 242,920,845 | 343,204,236 | 283,007,933 |
| 59,759,464 | 66,729,418 | 47,477,684 | 646,567,070 | 771,028,685 | 684,223,991 |
| Total Patient Revenue | | | | | |
| 24,759,513 | 23,866,898 | 16,589,318 | 243,389,369 | 276,395,551 | 254,397,351 |
| 11,441,408 | 15,737,171 | 9,809,569 | 127,989,743 | 181,262,252 | 148,924,166 |
| 14,344,004 | 18,220,360 | 14,770,100 | 182,774,561 | 209,856,109 | 184,822,950 |
| (383,273) | 00 | 362,242 | (383,273) | 00 | 362,242 |
| 3,907 | 00 | (78,483) | 72,170 | 00 | (88,906) |
| Deductions From Revenue: | | | | | |
| 50,755,559 | 57,844,429 | 41,412,746 | 553,782,576 | 667,553,912 | 588,417,803 |
| 8,993,905 | 8,884,989 | 6,064,938 | 92,784,494 | 103,474,773 | 95,806,188 |
| 973,952 | 938,295 | 685,173 | 11,429,727 | 10,924,878 | 10,389,096 |
| 8,019,953 | 7,946,693 | 5,319,765 | 81,354,767 | 92,549,895 | 85,417,032 |
| 31,985 | 33,331 | 29,083 | 445,646 | 399,989 | 484,126 |
| 8,051,938 | 7,980,024 | 5,408,848 | 81,800,413 | 92,949,894 | 85,901,218 |
| Net Revenue | | | | | |
| 2,077,979 | 2,153,344 | 2,045,354 | 24,748,401 | 24,617,112 | 25,348,466 |
| 140,431 | 219,725 | 326,486 | 5,300,525 | 5,477,601 | 5,048,511 |
| 1,069 | 1,793 | (8,097) | 529,562 | 43,476 | 17,281,241 |
| 1,382,213 | 1,667,303 | 1,146,269 | 14,149,497 | 19,206,383 | 17,432,766 |
| 1,487,960 | 350,788 | 135,517 | 4,353,558 | 4,689,451 | 4,226,928 |
| 487,280 | 528,289 | 475,277 | 6,968,027 | 6,338,993 | 6,182,794 |
| 170,110 | 00 | 00 | 1,029 | 8,700 | 7,141 |
| 52,989 | 22,480 | 102,916 | 1,714,292 | 1,321,041 | 1,277,354 |
| 63,443 | 72,457 | 23,051 | 302,259 | 267,380 | 177,790 |
| 125,333 | 205,337 | 83,548 | 1,175,216 | 2,406,142 | 1,094,831 |
| 6,219 | 513,014 | 423,212 | 5,049,566 | 6,156,169 | 5,223,814 |
| 00 | 00 | 00 | (1,688,756) | (1,798,276) | (2,525,680) |
| 00 | 00 | 00 | 00 | 00 | 00 |
| 5,683,729 | 5,884,377 | 4,793,224 | 63,533,183 | 69,603,617 | 64,620,925 |
| 2,369,209 | 2,095,647 | 615,624 | 18,267,230 | 23,346,277 | 21,280,293 |
| Total Operating Expenses | | | | | |
| Operating Margin | | | | | |
| Non-Operating Exp: | | | | | |
| 207,095 | 102,335 | 125,339 | 1,211,070 | 1,228,021 | 1,301,926 |
| 2,262,114 | 1,993,312 | 490,285 | 17,056,160 | 22,118,256 | 19,978,367 |
| 473,057 | 410,576 | 429,335 | 5,122,905 | 5,434,475 | 4,881,102 |
| 1,789,057 | 1,582,736 | 60,950 | 11,933,255 | 16,683,781 | 14,281,484 |
| 316,234 | 362,921 | 365,195 | 3,663,880 | 4,355,056 | 4,337,488 |
| (1,124,425) | 38,182 | (293,083) | 283,814 | 313,910 | 4,276,987 |
| 2,597,248 | 1,181,633 | (11,162) | 7,985,561 | 11,994,815 | 10,387,628 |
| 11,850 | 150,637 | (77,504) | 1,722,336 | 1,807,647 | 1,539,307 |
| Corp Mgmt Fees | | | | | |

LIABILITIES

THIS YEAR

LAST YEAR

| | | | |
|------------------------------|---------------|--|---------------|
| Current liabilities: | | | |
| Current maturities of | | | |
| Long-term debt | 00 | | 00 |
| Accounts payable | 4,252,802 | | 3,122,162 |
| Accrued liabilities: | | | |
| Employee compensation | 2,486,508 | | 2,431,154 |
| Accrued interest | 00 | | 00 |
| Other accrued liabilities | 854,315 | | 391,485 |
| Income taxes payable | 00 | | 00 |
| Total Current liabilities | 7,593,625 | | 5,944,801 |
| Long-term Debt | 00 | | 00 |
| Deferred Income Taxes | 00 | | 00 |
| Deferred Credits and | | | |
| Other long-term liabilities | 185,458 | | 185,458 |
| Intercompany Accounts | (3,868,811) | | (1,638,153) |
| Minority Interest | 1,656,579 | | 1,641,903 |
| Total Liabilities | \$ 5,566,851 | | \$ 6,134,009 |
| Stockholders' Equity | | | |
| Common stock | 00 | | 00 |
| Additional paid-in capital | 00 | | 00 |
| Retained earnings-prior year | 50,013,152 | | 41,164,831 |
| Retained earnings-curr year | 6,263,227 | | 8,848,321 |
| Treasury stock | 00 | | 00 |
| Other | 00 | | 00 |
| Total Stockholders' Equity | 56,276,379 | | 50,013,152 |
| Total Liabilities and Equity | \$ 61,843,230 | | \$ 56,147,161 |

| CONTRACTS | FITC | Clinic | In Process | |
|---|-----------------------|-------------------------|--------------------------------|-----------------------|
| Name | Effective Date | Termination Date | Type of Contract | Department |
| Masterson John MD | 05/08/12 | 5/7/2015 | CPOE / Zynx Physician Advisor | |
| Rao, Babu | 06/05/14 | 6/4/2015 | Physician Site Visit | GI |
| Nisreen Jallad, MD | 06/22/14 | 6/21/2015 | Physician Site Visit | Cardiologist |
| Vanderbilt University Medical Center - TN Poison Admin. | 7/1/2014 | 6/30/2015 | Services Agreement | Administration |
| Lebonheur Children's Pediatric Education Agreement | 7/11/2013 | 7/10/2015 | Services Agreement | |
| CHSPSC Leasing, Inc. | 7/15/2009 | 7/14/2015 | Sublease Agreement | |
| Beckman Coulter | 7/29/2014 | 7/28/2015 | Services Agreement | Lab - HMX-AL Analyser |
| Pela, Tarebiye | 08/01/12 | 7/31/2015 | Employment Contract | |
| Masterson, John MD | 09/15/09 | 8/18/2015 | Physician Leadership Agreement | |
| Micetich, Keith A MD | 09/25/08 | 9/24/2015 | Medical Directorship Agreement | |
| Saridakis, Michael, MD | 09/28/09 | 9/27/2015 | Physician Leadership Agreement | |
| Garabedian, Shant | 08/08/11 | 9/28/2015 | Physician Leadership Agreement | |
| Micetich, Keith A MD | 09/29/08 | 9/28/2015 | Physician Leadership | |

| | | | | |
|-----------------------|-----------|------------|--|----------------------|
| | | | Agreement | |
| Perchik, Joel, MD | | 9/28/2015 | Physician Leadership Agreement | |
| Kearney, Nicole, MD | 10/01/12 | 9/30/2015 | Employment Contract | |
| Medsurant, LLC | 10/01/12 | 9/30/2015 | Neurodiagnostic testing | |
| Waters, David MD | 10/8/2014 | 10/7/2015 | Physician Site Visit | General Vascular |
| Warren Kenneth, MD | 10/13/13 | 10/12/2015 | Physician Employment Agreement | |
| Kearney, Nicole, MD | 10/31/12 | 10/30/2015 | Physician Employment Agreement | |
| EmCare | 11/01/13 | 10/31/2015 | Cardiology | Cardiac Stress Tests |
| EmCare Inc. | 11/01/13 | 10/31/2015 | Hospitalist / ED Coverage | PRS 36 month review. |
| EmCare Inc. | 08/21/1 | 11/1/2015 | Cardiac Stress Tests | |
| Himmelheber, Chris | 02/07/15 | 2/6/2016 | Physician Site Visit | ENT |
| Cancer Care Center | 02/15/14 | 2/14/2016 | Service Agreement | |
| Tozer, Kenneth | 02/25/13 | 2/24/2016 | On Call Coverage | |
| Masterson, John MD | 02/28/12 | 2/27/2016 | On-Call Coverage Orthopedics | |
| Carruth, James, MD | 03/12/13 | 3/11/2016 | Medical Director for Cardiac & Pulmonary Rehab | |
| Tristar Health System | 04/01/13 | 3/31/2016 | Telemedicine | |

| | | | | |
|---|-----------|------------|---|--|
| Sesti,Fred | 05/01/13 | 4/30/2016 | Nurse Practitioner Employment Agreement | |
| Evans, Pamela | 03/26/13 | 5/29/2016 | Recruitment Agreement | This contract is related to CW 2085778. The questions on the Contract Terms Doc were answered incorrectly. |
| Evans, Pamela MD | 05/30/13 | 5/29/2016 | ED On Call Coverage | Was set up incorrectly. Need to change to 35 month review. |
| Thomas, George E. MD | 07/08/14 | 5/30/2016 | Physician Employment Agreement | Employed |
| Harmon, Harvey | 6/12/2014 | 5/31/2016 | Physician Employment Agreement | Employed |
| Heart & Vascular Center of West Tennessee | 7/1/2014 | 6/30/2016 | ED On Call Coverage | |
| Alhaddad, Mohsin MD | 8/1/2014 | 7/31/2016 | On Call Coverage | Cardiologist |
| Edwards, G. Thomas, MD | 08/15/14 | 8/14/2016 | Physician Employment Agreement | Amendment - CW2204052 |
| Carruth, James, MD | 8/17/2013 | 8/16/2016 | Leadership Agreement | |
| Abdullah, Javed | 08/26/13 | 10/31/2016 | Salary Subsidy | |
| Adamolekun, Bola, MD | 01/01/15 | 12/31/2016 | Physician Employment Agreement | |
| Gray, Kevin, MD | 01/01/15 | 12/31/2016 | Physician Employment | |

| | | | | |
|------------------------------------|-----------|------------|--------------------------------|---------------------------------------|
| | | | Agreement | |
| Jackson Anesthesia & Perioperative | 1/1/2014 | 12/31/2016 | Service Agreement | New contract to replace existing one. |
| James Carruth | 1/1/2014 | 12/31/2016 | Medical Director - Sleep Lab | |
| Saridakis, Michael, MD | 01/01/15 | 12/31/2016 | Physician Employment Agreement | |
| The Jackson Clinic PA | 01/01/14 | 12/31/2016 | On-Call Coverage GI | |
| Advanced Radiology | 3/1/2014 | 2/28/2017 | Service Agreement | |
| Wright, Brad | 4/21/2014 | 4/20/2017 | Resource Letter | Marshall Steel Kick-Off |
| Wright, Brad | 4/24/2014 | 4/20/2017 | Leadership Agreement | |
| Crocker, Lindsey | 5/9/2015 | 5/8/2017 | Employment Contract | |
| Antwine, Trey | 02/02/11 | 5/31/2017 | On-Call Coverage Orthopedics | |
| Bourji, Naji MD | 07/08/14 | 5/31/2017 | Salary Subsidy | Korban's Group |
| Boxell, Sandra, MD | 06/01/14 | 5/31/2017 | On-Call Coverage OBGYN | |
| Cobb, R Michael MD | 06/01/14 | 5/31/2017 | On-Call Coverage Orthopedics | |
| Haltom, Douglas, MD | 06/01/14 | 5/31/2017 | On-Call Coverage Orthopedics | |
| Hutchinson | 02/16/11 | 5/31/2017 | On-Call Coverage Orthopedics | |
| Johnson, L David MD | 06/01/14 | 5/31/2017 | On-Call Coverage Orthopedics | |

| | | | | |
|------------------------------|-----------|------------|--|-----------------|
| Micetich, Keith A MD | 06/01/14 | 5/31/2017 | On-Call Coverage OBGYN | |
| Nord, Keith, MD | 02/07/11 | 5/31/2017 | On-Call Coverage Orthopedics | |
| Pearce, David A MD | 06/01/14 | 5/31/2017 | On-Call Coverage Orthopedics | |
| Smith, Adam MD | 05/08/17 | 5/31/2017 | On-Call Coverage Orthopedics | |
| Williams, Lane, MD | 06/01/14 | 5/31/2017 | On-Call Coverage OBGYN | |
| Bells Nursing Home | 6/15/2014 | 6/14/2017 | Transfer Agreement | |
| Associated Pathologists | 09/01/14 | 8/31/2017 | Hospital Based Pathology Agreement | |
| Westwood HealthCare Center | 9/1/2012 | 8/31/2017 | Patient Transfer | Case Management |
| Rao, Babu | 10/02/14 | 11/29/2017 | Employment Contract | |
| Pucek, Kelly D MD | 01/02/12 | 12/31/2017 | On-Call Coverage Orthopedics | |
| Sweo, Timothy, MD | 02/07/11 | 12/31/2017 | On-Call Coverage Orthopedics | |
| Vanayer Healthcare & Rehab | 1/1/2012 | 12/31/2017 | Patient Transfer | |
| Wright, Garth MD | 01/02/12 | 12/31/2017 | On-Call Coverage Orthopedics | |
| Yakin, David MD | 01/02/12 | 12/31/2017 | On-Call Coverage Orthopedics | |
| Covington Healthcare & Rehab | 4/15/2014 | 4/14/2018 | Patient Transfer | |
| Crestview Healthcare | 4/15/2014 | 4/14/2018 | Patient Transfer | Case Management |
| McNairy Co Health | 4/15/2014 | 4/14/2018 | Patient Transfer | Case Management |

| | | | | |
|--|-----------|------------|---------------------|---------------------|
| Savannah HealthCare | 4/15/2014 | 4/14/2018 | Patient Transfer | Case Management |
| Covington Care | 4/20/2014 | 4/19/2018 | Patient Transfer | Case Management |
| Decatur County Manor Nursing Center | 4/20/2014 | 4/19/2018 | Patient Transfer | Case Management |
| Dyersburg Regional Medical Center | 4/20/2014 | 4/19/2018 | Patient Transfer | Case Management |
| Lexington Manor | 4/20/2014 | 4/19/2018 | Patient Transfer | Case Management |
| McKenzie Healthcare | 4/20/2014 | 4/19/2018 | Patient Transfer | Case Management |
| Union City Nursing | 4/20/2014 | 4/19/2018 | Patient Transfer | Case Management |
| WT Transistional | 4/20/2014 | 4/19/2018 | Patient Transfer | Case Management |
| Douglas Nursing Home | 8/20/2014 | 8/19/2019 | Patient Transfer | Case Management |
| Institute of Medical Ultrasound | 9/1/2014 | 8/31/2019 | Student Affiliation | Radiology |
| Martin Health Care Facility | 9/1/2014 | 8/31/2019 | Patient Transfer | Case Management |
| University of TN Martin (Cardio Pulmonary) | 1/1/2015 | 12/31/2019 | Student Affiliation | Respiratory Therapy |
| Belmont University College of Pharmacy | 1/1/2015 | 1/1/2020 | Student Affiliation | Pharmacy |
| Forest Cove Nursing Home | 2/1/2015 | 1/31/2020 | Patient Transfer | Case Management |
| Henderson Health & Rehab | 2/1/2015 | 1/31/2020 | Patient Transfer | Case Management |
| Humboldt Nursing Home & Rehab | 2/1/2015 | 1/31/2020 | Patient Transfer | Case Management |
| Jackson State Community College (PT) | 2/1/2015 | 1/31/2020 | Student Affiliation | Physical Therapy |
| Laurelwood Health Care Center | 2/1/2015 | 1/31/2020 | Patient Transfer | Case Management |
| Northbrooke Health Care Center | 2/1/2015 | 1/31/2020 | Patient Transfer | Case Management |
| Maplewood Health Care Center | 2/1/2015 | 1/31/2020 | Patient Transfer | Case Management |
| Mission Convalescent | 2/1/2015 | 1/31/2020 | Patient Transfer | Case Management |

| | | | | |
|--|-----------|------------|------------------------------|-----------------|
| Pine Meadows Healthcare and Rehabilitation Ctr | 2/1/2015 | 1/31/2020 | Patient Transfer | Case Management |
| Bethel University - Nursing Students | 1/1/2015 | 12/31/2020 | Student Affiliation | Nursing |
| Union University School of Pharmacy | 1/1/2015 | 12/31/2020 | Student Affiliation | Pharmacy |
| NHC Milan | 1/1/2012 | 12/31/2021 | Transfer Agreement | |
| Avalon Hospice | 3/26/2014 | 3/25/2024 | Hospice Agreement | |
| Milan General Hospital | 8/1/2006 | 4/30/2025 | Interfacility Transfer Agree | |
| RMOP - Heritage | 1/6/2014 | 1/5/2026 | Service Agreement | |
| RMOP - Henderson Co | 1/8/2014 | 1/7/2026 | Service Agreement | |
| RMOP - McKenzie | 1/8/2014 | 1/7/2026 | Service Agreement | |
| RMOP - McNairy | 1/9/2014 | 1/8/2026 | Service Agreement | |
| Biomerieux, Inc. | 9/10/2014 | | Service Agreement | Laboratory |
| Access Direct | 3/10/2011 | Perpetual | Servoce Agreement | |
| Adamolekum, Bad | 05/04/12 | Perpetual | Resource Letter | |
| Adetunji, | 05/03/13 | Perpetual | Resource Letter | |
| Alperovich, Alexander | 05/04/12 | Perpetual | Resource Letter | |
| Alston, Charles | 05/03/13 | Perpetual | Resource Letter | |
| Ategobole | 05/03/13 | Perpetual | Resource Letter | |

| | | | | |
|---|-----------|-----------|------------------------------|--|
| Bada | 05/03/13 | Perpetual | Resource Letter | |
| Boxell, Sandra, MD | 05/04/12 | Perpetual | Resource Letter | |
| Carruth, James, MD | 05/04/12 | Perpetual | Resource Letter | |
| Center Care | 1/20/2011 | Perpetual | Participation Agreement | |
| Chary, Kandala, MD | 05/04/12 | Perpetual | Resource Letter | |
| Community Services Network of WT | 3/1/2011 | Perpetual | Clinical Services | |
| Corvel Healthcare Corporation | 5/26/2011 | Perpetual | Provider Agreement | |
| Cunningham, Louis MD | 08/14/13 | Perpetual | Resource Letter | |
| Digestive Disease Clinic Surgery Center | 5/1/2013 | Perpetual | Patient Transfer | |
| Edwards, G. Thomas, MD | 06/19/14 | Perpetual | Resource Letter | |
| Eze, Gift, MD | 05/04/12 | Perpetual | Resource Letter | |
| FCM-MTC Medical, LLC dba First Medical Management | 5/1/2009 | Perpetual | Letter of Agreement | |
| Forensic Medical Management Services | 3/1/2013 | Perpetual | Service Agreement | |
| Garabedian, Shant, MD | 05/04/12 | Perpetual | Resource Letter | |
| Gray, Kevin, MD | 05/04/12 | Perpetual | Resource Letter | |
| Hamada, Omar, MD | 05/04/12 | Perpetual | Resource Letter | |
| Jackson Madison County General Hospital | 8/1/2006 | Perpetual | Interfacility Transfer Agree | |
| Joshi, | 05/03/13 | Perpetual | Resource Letter | |
| Kearney, Nicole, MD | 05/04/12 | Perpetual | Resource Letter | |
| Korban, Elie, MD | 05/04/12 | Perpetual | Resource Letter | |

| | | | | |
|--|-----------|-----------|-----------------------|-------------------------------|
| LeBonheur Children's Medical Center | 9/1/2011 | Perpetual | Patient Transfer | |
| Locum Tenens | 10/28/09 | Perpetual | Service Agreement | Corp Agreement - Not in Ariba |
| Masterson, John, MD | 05/04/12 | Perpetual | Resource Letter | |
| McKenzie Hospital Corporation | 1/1/2011 | Perpetual | Services Agreement | |
| Monroe Carell Jr. Children's Hospital at Vanderbilt Univ | 11/1/2011 | Perpetual | Educational Agreement | |
| Montoya, Joquina, MD | 05/04/12 | Perpetual | Resource Letter | |
| Morgan & Thornburg Service Solutions | 1/1/2015 | Perpetual | Maintenance Agreement | Facilities Management |
| Morris, Brent, MD | 05/04/12 | Perpetual | Resource Letter | |
| NeuroSentinel Group, LLC | 07/15/13 | Perpetual | Service Agreement | |
| Nord, Keith, MD | 05/04/12 | Perpetual | Resource Letter | |
| Olumide, Babatunde, MD | 05/04/12 | Perpetual | Resource Letter | |
| Pearce, David, MD | 05/04/12 | Perpetual | Resource Letter | |
| Perchik, Joel, MD | 05/04/12 | Perpetual | Resource Letter | |
| Permenter, William, MD | 05/04/12 | Perpetual | Resource Letter | |
| Physicians Surgery Center | 3/15/2013 | Perpetual | Patient Transfer | |
| Pucek, Kelly, MD | 05/04/12 | Perpetual | Resource Letter | |
| Rhear, Raymond, MD | 05/04/12 | Perpetual | Resource Letter | |
| Saito, Kaori | 09/15/14 | Perpetual | Resource Letter | |
| Saridakis, Michael, MD | 05/04/12 | Perpetual | Resource Letter | |
| Singh, Rashmi, MD | 05/04/12 | Perpetual | Resource Letter | |
| Souder, Bob, MD | 05/04/12 | Perpetual | Resource Letter | |

| | | | | |
|------------------------|----------|-----------|-----------------|--|
| Sweo, Timothy, MD | 05/04/12 | Perpetual | Resource Letter | |
| Thomas, George | 05/04/12 | Perpetual | Resource Letter | |
| Wainscott, Keith, MD | 05/04/12 | Perpetual | Resource Letter | |
| Weiner, Ronald, MD | 05/04/12 | Perpetual | Resource Letter | |
| Williams, Lane, MD | 05/04/12 | Perpetual | Resource Letter | |
| Wright, Garth Brad, MD | 05/04/12 | Perpetual | Resource Letter | |
| Yakin, David, MD | 05/04/12 | Perpetual | Resource Letter | |
| Yellen, Marshall, MD | 05/04/12 | Perpetual | Resource Letter | |

Regional Hospital of Jackson

CON Data Request

O/R Staffing

[illegible]

CONTRACTS

In Process

| Name | Type of Contract | Department |
|---|---------------------|---------------------|
| Belmont University College of Pharmacy | Student Affiliation | Pharmacy |
| Bethel University - Nursing Students | Student Affiliation | Nursing |
| Bethel University - PA Program | Student Affiliation | |
| Dyersburg State Community College | Student Affiliation | |
| Freed Hardeman University | Student Affiliation | |
| Institute of Medical Ultrasound | Student Affiliation | Radiology |
| Institute of Ultrasound Diagnostics | Student Affiliation | Radiology |
| Jackson State Community College - EMT/Paramedic | Student Affiliation | ED |
| Jackson State Community College (Phlebotomy) | Student Affiliation | Laboratory |
| Jackson State Community College (PT) | Student Affiliation | Physical Therapy |
| Jackson State Community College - MLT Program | Student Affiliation | Laboratory |
| Southwest Baptist University | Student Affiliation | |
| Tennessee Technology Center at Ripley, Alamo Campus | Student Affiliation | |
| Tennessee Technology Center at Whiteville | Student Affiliation | Nursing |
| TN Board of Regents | Student Affiliation | |
| Union University - CRNA Program | Student Affiliation | CRNA |
| Union University - DNP Program | Student Affiliation | Nursing DNP |
| Union University - Nursing Students | Student Affiliation | Nursing |
| Union University - Social Work | Student Affiliation | Social Work |
| Union University MSN Program | Student Affiliation | Clinic |
| Union University MSN Program | Student Affiliation | Nursing |
| Union University School of Nursing | Student Affiliation | Nursing |
| University of Memphis Loewenberg School of Nursing | Student Affiliation | Clinic |
| University of Tennessee - Martin (Clinical Dietician) | Student Affiliation | Dietitian |
| University of Tennessee - Memphis College of Nursing | Student Affiliation | Nursing |
| University of TN Martin | Student Affiliation | Nursing |
| University of TN Martin (Cardio Pulmonary) | Student Affiliation | Respiratory Therapy |
| University of TN Martin (Dietician) | Student Affiliation | Dietitian |
| University of TN Memphis (Physical Therapy) | Student Affiliation | Physical Therapy |
| Xray Instructional Programs | Student Affiliation | Radiology |
| Union University School of Pharmacy | Student Affiliation | Pharmacy |

Board for Licensing Health Care Facilities

State of Tennessee



No. of Beds 0000000079
0152

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

JACKSON, TENNESSEE HOSPITAL COMPANY, LLC

to conduct and maintain a

Hospital

REGIONAL HOSPITAL OF JACKSON

Located at

367 HOSPITAL BLVD., JACKSON

County of

MADISON

, Tennessee.

This license shall expire

JANUARY 01

, 2016, and is subject

to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State this 1ST day of JANUARY, 2015.
*In the Distinct Category(ies) of: GENERAL HOSPITAL
PEDIATRIC PRIMARY HOSPITAL*



By

James J. Davis, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By

John D. Davis
COMMISSIONER

Division of Health Care Facilities

| | | | | | |
|---|---|---|---|--|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| H514 | <p>1200-8-30-.05 (8) (g) Admissions, Discharges and Transfers</p> <p>(8) The hospital must ensure continuity of care and provide an effective discharge planning process that applies to all patients. The hospital's discharge planning process, including discharge policies and procedures, must be specified in writing and must:</p> <p>(g) Involve the patient, the patient's family or individual acting on the patient's behalf, the attending physician, nursing and social work professionals and other appropriate staff, and must be documented in the patient's medical record; and,</p> <p>This Statute is not met as evidenced by: Based on medical record review and interview, it was determined the facility failed to ensure the discharge planning process involved the attending physician, nursing, and social work professionals for 8 of 10 (Patients #1 - #8) sampled patients.</p> <p>The findings included:</p> <ol style="list-style-type: none"> 1. Medical record review for Patient #1 revealed "Discharge Planning Notes" dated 8/7/06. Review of the notes failed to reveal documentation the patient/family, attending physician, and social work professional were involved in the discharge planning process. 2. Medical record review for Patient #2 revealed "Discharge Planning Notes" dated 9/7/06. Review of the notes failed to reveal documentation the patient/family, attending physician, and social work professional were involved in the discharge planning process. 3. Medical record review for Patient #3 revealed "Discharge Planning Notes" dated 8/29/06. Review of the notes failed to reveal documentation the patient/family, attending physician, and social work professional were involved in the discharge planning process. | H 514 | <p>The need for multidisciplinary discharge planning is determined by the patient's case manager when upon initial assessment a need is identified that the patient will require an alternate level of care.</p> <p>Plan revision of "Case Management Discharge Planning" form to include evidence of discharge plan collaboration with all appropriate clinical disciplines.</p> <p>Review and update policy "Discharge Planning" to include this addition.</p> <p>Review and revise the hospital plan for Utilization Management to ensure appropriate discharge planning collaboration with necessary disciplines.</p> <p>The Case Management Director will conduct concurrent monitoring by review of 20 charts per week for evidence of multidisciplinary discharge planning for a period of six weeks. Results of monitoring will be reported to the Utilization Management Committee. Following the initial six week review, 10 records per week will be monitored for a six week period or until compliance is met.</p> | <p>10/6/06</p> <p>10/6/06</p> <p>10/6/06</p> | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|---|---|---|--------------------|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| H514 | <p>Continued From page 1</p> <p>4. Medical record review for Patient #4 revealed "Discharge Planning Notes" dated 9/7/06. Review of the notes failed to reveal documentation the patient/family, attending physician, and social work professional were involved in the discharge planning process.</p> <p>5. Medical record review for Patient #5 revealed "Discharge Planning Notes" dated 9/6/06. Review of the notes failed to reveal documentation the patient/family, attending physician, and social work professional were involved in the discharge planning process.</p> <p>6. Medical record review for Patient #6 revealed "Discharge Planning Notes" dated 8/29/06. Review of the notes failed to reveal documentation the patient/family, attending physician, and social work professional were involved in the discharge planning process.</p> <p>7. Medical record review for Patient #7 revealed "Discharge Planning Notes" dated 9/7/06. Review of the notes failed to reveal documentation the patient/family, attending physician, and social work professional were involved in the discharge planning process.</p> <p>8. Medical record review for Patient #8 revealed "Discharge Planning Notes" dated 9/7/06. Review of the notes failed to reveal documentation the patient/family, attending physician, and social work professional were involved in the discharge planning process.</p> <p>9. In an interview on 9/12/06 at 2:55PM, the quality management staff verified the "Discharge Planning Notes" for the above patients did not have documentation of involvement by the required disciplines.</p> | H514 | | | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|--|---|--|--|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| H 678 | Continued from page 2 12000-8-1-.06 (4)(g) Basic Hospital Functions (4) Nursing Services. (g) A registered nurse must assign the nursing care of each patient to other nursing personnel in accordance with the patient's needs and the specialized qualifications and competence of the nursing staff available. All nursing personnel assigned to special care units shall have specialized training and a program inservice and continuing education commensurate with the duties and responsibilities of the individual. All training shall be documented for each individual so employed, along with documentation of annual competency skills. This Statute is not met as evidenced by: Based on personnel file review, it was determined the facility failed to ensure that documentation of competency evaluations for nursing staff who performed telemetry monitoring. The findings included: 1. Personnel file review for LPN #1 failed to reveal documentation of a competency evaluation for telemetry monitoring. 2. Personnel file review for RN #1 failed to reveal documentation of a competency evaluation for telemetry monitoring. 3. In an interview on 9/12/06 at 1:30PM, the quality manager verified there was no competency evaluation for telemetry monitoring in the nursing staff files. 4. In an interview on 9/12/06 at 1:30PM, the telemetry unit manager verified the nurses who perform telemetry monitoring did not have competency evaluations. | H 678 | Review staff roster and personnel files for documentation of telemetry competency and current ACLS certification. Include telemetry monitoring as an addendum to the employee annual performance evaluation. Any staff member without the above documentation of telemetry competence will be required to attend an education session and successful completion of a competency tool. Revise hospital policy "Competency Verification to include the above." The nurse manager will review all personnel files on a yearly basis to ensure competency is verified. | 10/23/06 10/23/06 10/23/06 10/23/06 | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|---|---|---|---------------------------------------|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| H 688 | Continued from page 3 1200-8-1-.06 (5)© Basic Hospital Functions (5) Medical Records. (c) The organization of the medical record service must be appropriate to the scope and complexity of the services performed. The hospital must employ adequate personnel to ensure prompt completion, filing and retrieval of records. This Statute is not met as evidenced by: Based on medical record review, it was determined the facility failed to ensure documentation in 1 of 10 (Patient #3) sampled records was illegible. The findings included: 1. Medical record review for Patient #3 revealed a physician's progress note dated 8/31/06 with documentation that was unreadable. The progress note contained documentation that was marked through several times and the words beneath the markings were unreadable. 2. In an interview on 9/12/06 at 1:30PM, the quality management staff verified the documentation that was marked through was not in accordance with the facility's policy for medical record documentation. | H 688 | Review hospital policy "Legibility of the Medical Record." Forward copy of obliterated progress note to involved physician with copy of facility's form letter. Education flyer on appropriate correction of errors posted at all dictation areas. Monitoring of medical records for legibility and use of dangerous abbreviations is conducted on a monthly basis. Noncompliant practitioners receive a copy of the facility's form letter notifying them of the deficiency. Continued legibility issues will be trended and chronic offenders will be forwarded to the Utilization Management Committee and the Medical Executive Committee as needed for disciplinary action. | 10/9/06 9/29/06 9/29/06 | |
| H1205 | 1200-8-1-.12 (1) (e) Patient Rights (1) Each patient has at least the following rights: (e) To have their records kept confidential and private. Written consent by the patient must be obtained prior to release of information except to persons authorized by law. If the patient lacks capacity, written consent is required from the patient's health care decision maker. The hospital must have policies to govern access and duplication of the patient's record; This Statute is not met as evidenced by: | H 1205 | Daily clipboards will be maintained at the nurse's station instead of outside the patient's room. A mobile chart rack (3 rd floor) and a wall-mounted rack (2 nd floor) have been ordered to house the clipboards. Nurse managers will perform random checks daily to ensure clipboards are not out on the patient unit. | 10/26/06 10/26/06 | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|--|---|---|--------------------|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - Main Building 01 B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/13/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| H1205 | <p>Continued from page 4</p> <p>Based on observation, it was determined the facility failed to keep all patients' records private and confidential.</p> <p>The findings included:</p> <ol style="list-style-type: none"> 1. During tour of the third (3rd) floor, clipboards were observed outside of the patients' rooms. Not all of the clipboards were observed to be turned toward the wall. 2. In an interview on 9/12/06 at 11:00AM, the unit manager verified the clipboards contained the following information about each patient: name, date of birth, demographic information, care plans, nurses' notes, and treatment plans. | | | | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|---|---|---|--------------------|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - Main Building 01 B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/13/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| H871 | <p>1200-8-1-.08 (1) Building Standards</p> <p>(1) The hospital must be constructed, arranged, and maintained to ensure the safety of the patient.</p> <p>This Statute is not met as evidenced by: Based on observation it was determined the facility failed to install required smoke detectors and improperly used liquid oxygen containers.</p> <p>The findings included:</p> <p>On 9/12/06, during the survey, the following deficiencies were noted:</p> <p>a) The corridor doors at the same day surgery area were held open with magnetic devices and did not have proper smoke detection devices at the door.</p> <p>b) In the respiratory therapy area 2 liquid oxygen refilling stations and portable liquid oxygen units were being stored in an unapproved room</p> | H871 | <p>a) Smoke detector re-located from the corridor to the inside higher ceiling.</p> <p>b) Director of Respiratory Therapy will request pick up of the two liquid oxygen tanks and shoulder units.</p> | 9/27/06 | 9/27/06 |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | | | |
|---|---|---|--|---|--|---|--------------------|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | | (X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 | |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | | | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | | (X5) COMPLETE DATE |
| P308 | <p>1200-8-30-.03 (1) (f) Hospital Administration</p> <p>(1) The hospital administration shall provide the following:</p> <p>(f) A collaborative environment with the Emergency Medical Services and Emergency Medical Services for Children systems to educate pre-hospital personnel, nurses and physicians.</p> <p>This Statute is not met as evidenced by: Based on record review and interview, it was determined the hospital administration failed to provide education regarding pediatric emergencies to emergency room staff.</p> <p>The findings included:</p> <p>Record review revealed no documentation that the emergency room staff had been inserviced on pediatric emergencies.</p> <p>During an interview on 9/12/06 at 3:40PM, the Quality Assurance (QA) Director verified that the emergency room staff had not been inserviced on pediatric emergencies.</p> | | | P308 | <p>Deficiency deleted per C. Skelley, RN 9/25/06. Rule 1200-8-30-Table 1 lists this element as SE "strongly encouraged" for those facilities with Primary designation.</p> | | 9/25/06 |
| P309 | <p>1200-8-30-.03(1)(g) Hospital Administration</p> <p>(1) The hospital administration shall provide the following:</p> <p>(g) Participation in data collection to assure that the quality indicators established by the regional resource center are monitored, and make data available to the regional resource center or a central data monitoring agency.</p> <p>This Statute is not met as evidenced by: Based on record review, and interview, it was determined the facility failed to assure quality indicators were being monitored and being made available to the appropriate agencies.</p> <p>The findings included:</p> <p>Record review revealed no documentation that</p> | | | P309 | <p>Communicate with Le Bonheur Children's Medical Center regarding their role as the regional resource center. Identify and initiate appropriate quality monitoring.</p> | | 10/9/06 |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|---|---|---|--------------------|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| P309 | Continued From page 1 data collection of quality indicators was not available. | | | | |
| P312 | 1200-8-30-.03 (1)(j) 1. Hospital Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: (1) deaths; This Statute is not met as evidenced by: Based on record review of the facility's Quality Improvement (QI) data, Medical Executive meeting minutes, Pediatric Facility Notebook (PFN), and interview the facility failed to include in the quality assessment and quality improvement (QA/QI) program a review of deaths. The findings included: Record review of the facility's QI data, Medical Executive meetings, and PFN, revealed no documentation that a review of deaths were included in the QI/QA program. During an interview on 9/12/06 at 3:40PM, QA Director verified that the QI/QA program did not include a review of deaths. | P 312 | All patient deaths are reviewed by the quality management department and reported on a quarterly basis to the Quality Improvement Council (QIC) and Medical Executive Committee (MEC). Pediatric deaths are incorporated into the mortality report. Beginning 4 th quarter 2006, any pediatric death will be reported on a pediatric specific report and forwarded on a quarterly basis to the QIC and MEC. | 10/16/06 | |
| P313 | 1200-8-30-.03 (1)(j) 2. Hospital Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 2. incident reports; | | | | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|--|---|---|--------------------|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| P313 | Continued from page 2 This Statute is not met as evidenced by: Based on record review of the facility's Quality Improvement (QI) data, Medical Executive meeting minutes, Pediatric Facility Notebook (PFN), and interview the facility failed to include in the quality assessment and quality improvement (QA/QI) program a review of incident reports. The findings included: Record review of the facility's QI data, Medical Executive meetings, and PFN, revealed no documentation that a review of incident reports were included in the QI/QA program. During an interview on 9/12/06 at 3:40PM, QA Director verified that the QI/QA program did not include a review of incident reports. | P 313 | The quality assessment and improvement program includes a review of all incident reports reported through the risk management reporting process. 100% of risk identification reports are analyzed by the Director of Risk Management and forwarded on a quarterly basis to the Quality Improvement Council (QIC) and Board of Trustees. Beginning 4 th quarter 2006, any risk report involving a pediatric patient will be reported on a pediatric specific report and forwarded on a quarterly basis to the QIC and Board of Trustees. | 10/16/06 | |
| P314 | 1200-8-30-.03(1)(j)3. Hospital Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 3. child abuse cases; This Statute is not met as evidenced by: Based on record review of the facility's Quality Improvement (QI) data, Medical Executive meeting minutes, Pediatric Facility Notebook (PFN), and interview the facility failed to include in the quality assessment and quality improvement (QA/QI) program a review of child abuse cases. The findings included: Record review of the facility's QI data, Medical | P 314 | Suspected cases of child abuse are assessed, identified and reported to the Sheriff and Child Protective Services. Beginning 4 th quarter 2006, identified and reported cases of child abuse will be forwarded to quality management and reported on a pediatric specific report and forwarded on a quarterly basis to the QIC and Board of Trustees. | 10/16/06 | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | | | |
|---|--|---|--|---|--|---|--------------------------|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | | (X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 | |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | | | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS- REFERENCED TO THE APPROPRIATE DEFICIENCY) | | (X5) COMPLETE DATE |
| P314 | Continued from page 3 Executive meetings, and PFN, revealed no documentation that a review of child abuse cases were included in the QI/QA program. During an interview on 9/12/06 at 3:40PM, QA Director verified that the QI/QA program did not include a review of child abuse cases. | | | | | | |
| P315 | 1200-8-30-.03(1)(j)4. Hospital Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 4. cardiopulmonary or respiratory arrests; This Statute is not met as evidenced by: Based on record review of the facility's Quality Improvement (QI) data, Medical Executive meeting minutes, Pediatric Facility Notebook (PFN), and interview the facility failed to include in the quality assessment and quality improvement (QA/QI) program a review of cardiopulmonary or respiratory arrests. The findings included: Record review of the facility's QI data, Medical Executive meetings, and PFN, revealed no documentation that a review of cardiopulmonary or respiratory arrests were included in the QI/QA program. During an interview on 9/12/06 at 3:40PM, QA Director verified that the QI/QA program did not include a review of cardiopulmonary or respiratory arrests. | | | P 315 | The quality assessment and improvement program includes a review of all incident reports reported through the risk management reporting process. 100% of risk identification reports are analyzed by the Director of Risk Management and forwarded on a quarterly basis to the Quality Improvement Council (QIC) and Board of Trustees. Cardiopulmonary and/or respiratory arrests are reported via the risk identification reporting process. Cardiopulmonary and respiratory arrests are reviewed by the multidisciplinary Code Blue team. Beginning 4 th quarter 2006, any risk report involving a pediatric patient experiencing cardiopulmonary or respiratory arrest will be reported on a pediatric specific report and forwarded on a quarterly basis to the QIC and Board of Trustees. | | 10/16/06 |
| P316 | 1200-8-30-.03(1)(j) 5. Hospital Administration | | | | | | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|--|---|---|--------------------|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING <u>01 - Main Building 01</u> B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| P316 | Continued from page 4 (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 5. admissions within 48 hours after being discharged from the emergency department; This Statute is not met as evidenced by: Based on record review of the facility's Quality Improvement (QI) data, Medical Executive meeting minutes, Pediatric Facility Notebook (PFN), and interview the facility failed to include in the quality assessment and quality improvement (QA/QI) program a review of admissions within 48 hours after being discharged from the emergency department. The findings included: Record review of the facility's QI data, Medical Executive meetings, and PFN, revealed no documentation that a review of admissions within 48 hours after being discharged from the emergency department were included in the QI/QA program. During an interview on 9/12/06 at 3:40PM, QA Director verified that the QI/QA program did not include a review of admissions within 48 hours after being discharged from the emergency department. | P316 | The Emergency Department Nurse Manager routinely prints and reviews a pediatric specific report listing all unscheduled pediatric returns to the ED within 48 hours. Beginning 4 th quarter 2006, the Emergency Department Nurse Manager will review and report all pediatric admissions within 48 hours after being discharged from the emergency department to quality management for inclusion on a pediatric specific report and forwarded on a quarterly basis to the QIC and Board of Trustees. | 10/16/06 | |
| P317 | 1200-8-30-.03(1)(j)6. Hospital Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review | | | | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|---|---|--|--------------------|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING <u>01 - Main Building 01</u> B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| P317 | Continued from page 5 Of the following pediatric issues and indicators: 6. surgery within 48 hours after being discharged from an emergency department; This Statute is not met as evidenced by: Based on record review of the facility's Quality Improvement (QI) data, Medical Executive meeting minutes, Pediatric Facility Notebook (PFN), and interview the facility failed to include in the quality assessment and quality improvement (QA/QI) program a review of surgery within 48 hours after being discharged from the emergency department. The findings included: Record review of the facility's QI data, Medical Executive meetings, and PFN, revealed no documentation that a review of surgery within 48 hours after being discharged from the emergency department were included in the QI/QA program. During an interview on 9/12/06 at 3:40PM, QA Director verified that the QI/QA program did not include a review of surgery within 48 hours after being discharged from the emergency department. | P 317 | Beginning 4 th quarter 2006, quality management will review and report pediatric patients undergoing surgery within 48 hours after being discharged from an emergency department and forwarded on a quarterly basis to the QIC and Board of Trustees. | 10/16/06 | |
| P318 | 1200-8-30-.03(1)(j)7. Hospital Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 7. quality indicators requested by the Comprehensive Regional Pediatric Center or state/local Emergency Medical Services for Children authority regarding nursing care, physician care, pre-hospital care and the medical direction for pre-hospital providers of Emergency Medical Services systems; | P 318 | Communicate with Le Bonheur Children's Medical Center regarding their role as the regional resource center. Identify and initiate appropriate quality monitoring. | 10/16/06 | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | | | |
|---|--|--|--|---|--|---|--------------------------|
| STATEMENT OF EFFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | | (X2) MULTIPLE CONSTRUCTION A. BUILDING <u>01 - Main Building 01</u> B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 | |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | | | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORRS- REFERENCED TO THE APPROPRIATE DEFICIENCY) | | (X5) COMPLETE DATE |
| P318 | <p>Continued from page 6</p> <p>This Statute is not met as evidenced by:</p> <p>Based on record review of the facility's Quality Improvement (QI) data, Medical Executive meeting minutes, Pediatric Facility Notebook (PFN), and interview the facility failed to include in the quality assessment and quality improvement (QA/QI) program a review of quality indicators requested by the Comprehensive Regional Pediatric Center or state/local Emergency Medical Services for children authority regarding nursing care, physician care, pre-hospital care and the medical direction for pre-hospital care and the medical direction for pre-hospital providers of Emergency Medical Systems.</p> <p>The findings included:</p> <p>Record review of the facility's QI data, Medical Executive meetings, and PFN, revealed no documentation that a review of quality indicators requested by the Comprehensive Regional Pediatric Center or state/local Emergency Medical Services for children authority regarding nursing care, physician care, pre-hospital care and the medical direction for pre-hospital care and the medical direction for pre-hospital providers of Emergency Medical Systems were included in the QI/QA program.</p> <p>During an interview on 9/12/06 at 3:40PM, QA Director verified that the QI/QA program did not include a review of quality indicators requested by the Comprehensive Regional Pediatric Center or other agencies..</p> | | | | | | |
| P319 | <p>1200-8-30-.03(1)(j)8. Hospital Administration</p> <p>(1) The hospital administration shall provide the following:</p> <p>(j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators:</p> | | | | | | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | |
|---|---|---|---|--|---|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | (X2) MULTIPLE CONSTRUCTION A. BUILDING <u>01 - Main Building 01</u> B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | (X5) COMPLETE DATE | |
| P319 | Continued from page 7 8. pediatric transfers; and This Statute is not met as evidenced by: Based on record review of the facility's Quality Improvement (QI) data, Medical Executive meeting minutes, Pediatric Facility Notebook (PFN), and interview the facility failed to include in the quality assessment and quality improvement (QA/QI) program a review of pediatric transfers. The findings included: Record review of the facility's QI data, Medical Executive meetings, and PFN, revealed no documentation that a review of pediatric transfers were included in the QI/QA program. During an interview on 9/12/06 at 3:40PM, QA Director verified that the QI/QA program did not include a review of pediatric transfers. | P 319 | A report listing pediatric transfers will be generated and reviewed by the Emergency Department Nurse Manager for appropriateness of transfer and forwarded to quality management. Beginning 4 th quarter 2006, quality management will report pediatric transfers on a quarterly basis to the QIC and Board of Trustees. | 10/16/06 10/16/06 | |
| P 320 | 1200-8-30-.03(1)(j)9. Hospital Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 9. pediatric inpatient illness and injury outcome data. This Statute is not met as evidenced by: Based on record review of the facility's Quality Improvement (QI) data, Medical Executive meeting minutes, Pediatric Facility Notebook (PFN), and interview the facility failed to include in the quality assessment and quality improvement (QA/QI) program a review of pediatric inpatient illness and injury outcome data. | | | | |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Division of Health Care Facilities

| | | | | | | | |
|---|--|---|--|---|---|---|---------------------------------|
| STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION | | (X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53179 | | (X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____ | | (X3) DATE SURVEY COMPLETED 09/12/06 | |
| NAME OF PROVIDER OR SUPPLIER Regional Hospital of Jackson | | | | STREET ADDRESS, CITY, STATE, ZIP CODE 367 HOSPITAL BLVD JACKSON, TN 38305 | | | |
| (X4) ID PREFIX TAG | SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION) | | | ID PREFIX TAG | PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CORSS-REFERENCED TO THE APPROPRIATE DEFICIENCY) | | (X5) COMPLETE DATE |
| P320 | <p>Continued from page 8</p> <p>The findings included:</p> <p>Record review of the facility's QI data, Medical Executive meetings, and PFN, revealed no documentation that a review of pediatric inpatient illness and injury outcome data were included in the QI/QA program.</p> <p>During an interview on 9/12/06 at 3:40PM, QA Director verified that the QI/QA program did not include a review of pediatric inpatient illness and injury outcome data.</p> | | | P 320 | <p>Pediatric inpatients will be reviewed for appropriateness of care and any negative outcome or injury.</p> <p>Beginning 4th quarter 2006, quality management will report pediatric illness and injury outcome data to the Quality Improvement Council and Board of Trustees.</p> | | <p>10/16/06</p> <p>10/16/06</p> |

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Madison

Charles F Miller, being first duly sworn, says that he is the applicant named in this application or its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directors to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.



SIGNAATURE / TITLE

Sworn to and subscribed before me this 11 day of May, 2015
a Notary Public in and for the County / State of Madison / Tennessee.



NOTARY PUBLIC

My commission expires: August 23, 2017.





State of Tennessee
Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

June 1, 2015

Jerry W. Taylor, Esq.
Burr & Forman
511 Union St Suite 2300
Jackson, TN 38305

RE: Certificate of Need Application -- Regional Hospital of Jackson - CN1505-022
Regional Hospital of Jackson seeks approval for a major construction project requiring a capital expenditure greater than \$5 million for the following: 1) renovation of approximately 9,294 SF in the existing surgical department, 2) the addition of approximately 3,777 SF of new construction to the existing surgical department, and 3) the addition of 2 operating rooms, increasing the number of operating rooms from 6 to 8. If approved, the hospital will de-license 2 inpatient beds. The project cost is \$8,864,901.

Dear Mr. Taylor.:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on June 1, 2015. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the 30-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on August 26, 2015.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (7) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (8) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243


www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: 
Melanie M. Hill
Executive Director

DATE: June 1, 2015

RE: Certificate of Need Application
Regional Hospital of Jackson - CN1505-022

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a 60-day review period to begin on June 1, 2015 and end on August 1, 2015.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Jerry W. Taylor, Esq.



MAY 8 15 4:25

LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Jackson Sun, which is a newspaper of general circulation in Madison County, Tennessee, on or before May 10, 2015 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that Regional Hospital of Jackson, owned and managed by Jackson, Tennessee Hospital Company, LLC, a Tennessee limited liability company, intends to file an application for a Certificate of Need for the approval of a hospital expansion and modification project with a cost in excess of \$5 million. The project will entail (1) the renovation of approximately 9,294 square feet of space in the existing surgical department, (2) the addition of approximately 3,777 square feet of new construction to the existing surgical department, and (3) the addition of 2 operating rooms, increasing the number of ORs from 6 (including a Cystology room) to 8. Regional Hospital of Jackson is located at 367 Hospital Blvd., Jackson, Madison County Tennessee. It is licensed as a general acute care hospital by the Tennessee Board for Licensing Health Care Facilities. If this application is approved, Regional Hospital of Jackson will de-license 2 inpatient beds upon completion of the project. No changes in the services provided by the hospital are involved in this project, and no major medical equipment is involved in this project. The estimated project cost is not to exceed \$8,900,000.

The anticipated date of filing the application is May 15, 2015.

The contact person for this project is Jerry W. Taylor, Attorney, who may be reached at: Burr & Forman, LLP, 511 Union Street, Suite 2300, Nashville, Tennessee 37219, 615-724-3247, jtaylor@burr.com.


Signature

5-8-15
Date

=====

The published Letter of Intent contains the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

=====

Supplemental #1 -Copy-

Regional Hospital of
Jackson

CN1505-022

May 29, 2015

8:31 am

SUPPLEMENTAL RESPONSES

CERTIFICATE OF NEED APPLICATION

FOR

REGIONAL HOSPITAL OF JACKSON

Project No. 1505-022

**Renovation and Expansion of the
Hospital Surgical Department**

Madison County, Tennessee

May 29, 2015

Contact Person:

**Jerry W. Taylor, Esq.
Burr & Forman, LLP
511 Union Street, Suite 2300
Nashville, Tennessee 37219
615-724-3247**

May 29, 2015

8:31 am

Supplemental Responses
Regional Hospital of Jackson, CN1505-022
Page 1

1. Section A, Applicant Profile Item 9

The Bed Complement Data is noted. However, there appears to be a calculation error in staffed beds. Please revise and submit a replacement page.

A corrected Bed Complement Data Chart is reflected on the Replacement Page 4, attached following this response.

May 29, 2015**8:31 am****9.****Bed Complement Data***Please indicate current and proposed distribution and certification of facility beds.*

| | <u>Current Beds Licensed</u> | <u>*CON</u> | <u>Staffed Beds</u> | <u>Beds Proposed</u> | <u>TOTAL Beds at Completion</u> |
|---|----------------------------------|---------------|-------------------------|--------------------------|---|
| A. Medical | <u>124</u> | <u> </u> | <u>100</u> | <u>-2*</u> | <u>122</u> |
| B. Surgical (included in Medical) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| C. Long-Term Care Hospital | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| D. Obstetrical | <u>12</u> | <u> </u> | <u>12</u> | <u> </u> | <u>12</u> |
| E. ICU/CCU | <u>16</u> | <u> </u> | <u>16</u> | <u> </u> | <u>16</u> |
| F. Neonatal | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| G. Pediatric | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| H. Adult Psychiatric | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| I. Geriatric Psychiatric | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| J. Child/Adolescent Psychiatric | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| K. Rehabilitation | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| L. Nursing Facility (non-Medicaid Certified) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| M. Nursing Facility Level 1 (Medicaid only) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| N. Nursing Facility Level 2 (Medicare only) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| O. Nursing Facility Level 2 (dually certified Medicaid/Medicare) | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| P. ICF/MR | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Q. Adult Chemical Dependency | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| R. Child and Adolescent Chemical Dependency | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| S. Swing Beds | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| T. Mental Health Residential Treatment | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| U. Residential Hospice | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL | <u>152</u> | <u> </u> | <u>128</u> | <u>-2</u> | <u>150</u> |

* RHJ has physician ownership and as such,
federal law prohibits a net increase of beds or ORs.
Accordingly, if the 2 new ORs are approved, RHJ
will de-license 2 inpatient beds.

May 29, 2015

NOTE: *Section B* is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. *Section C* addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

Project Description

Regional Hospital of Jackson ("RHJ") seeks approval for a hospital expansion and modification project with a cost in excess of \$5 million. The project will entail (1) the renovation of approximately 9,294 square feet of space in the existing surgical department, (2) the addition of approximately 3,777 square feet of new construction to the existing surgical department, and (3) the addition of 2 operating rooms, increasing the number of ORs from 5 to 7. In addition, RHJ has one cystology room, and this project will make no change in that number.

This project does not involve any increase in licensed bed capacity. In fact, because RHJ is a physician syndicated hospital, federal law prohibits any net increase in the number of licensed beds or operating rooms. Accordingly, if this project is approved, RHJ will de-license two inpatient beds.

Services & Equipment

No changes in the services the hospital offers will result from this project. No major medical equipment is involved in this project. Equipment to be acquired is that necessary to fully equip the new ORs, as well as some replacement equipment for the existing ORs and other ancillary areas of the surgical department.

Ownership Structure

RHJ is owned by Jackson, Tennessee Hospital Company, LLC. Jackson Tennessee Hospital Company, LLC is owed 97% by Jackson Hospital Corp. and 3% by local physicians.

Service Area

The primary service area for this project consists of Madison, Gibson, Henderson, and Dyer counties. Residents of these counties accounted for approximately 52% of the admissions to RHJ in 2013. RHJ had admissions of residents of 20 additional counties, but no single county accounted for more than 6% of the total admissions. Since no new service or additional beds are involved in this project, it is felt the 4 county primary service area is a reasonable metric.

May 29, 2015**8:31 am**Need

The renovation of the existing surgical department is long overdue, and is not dependent on surgical volume for its justification. There is a need for updating, and re-design for better patient through-put. The additional ORs are justified based on growing volume and the efficiencies of adding capacity during the midst of a major renovation project, as opposed to adding capacity later and causing additional disruption, as well as higher cost.

There are no criteria or guidelines as to threshold utilization of hospital based ORs. The number of cases per OR has steadily grown from 776 cases per OR in 2013 to 879 cases per OR in 2014, and 897 cases per room annualized 2015 (including the Cysto cases and room).

Existing Resources

There are six hospitals in addition to RHJ which provide surgical services in the service area. The largest hospital provider of surgical services is Jackson Madison County General Hospital, also located in Madison County. A table reflecting the surgical utilization of the hospitals in the service area is attached as Attachment C, I, Need, 5.

This project will increase surgical capacity at RHJ by the addition of 2 new operating rooms, increasing the total number of ORs from 5 to 7. There are no need criteria or guidelines applicable to a hospital increasing its surgical capacity.

Project Cost & Funding

The total estimated project cost is \$8,845,000 exclusive of the filing fee. Of this approximately \$4.5 million is construction cost, and approximately \$3.2 million is equipment cost. The construction costs are reasonable as verified by the project architect in Attachment C, I, Need, 5. The equipment quotes were negotiated in an arms-length transaction among experienced business people, and are likewise reasonable. The project will be funded through cash reserves by an allocation from the parent company.

Financial Feasibility

The project is financially feasible. As reflected in the Projected Data Chart, the project will be cost-efficient and will have a positive cash flow and will produce a strong positive NOI in Year 1 and thereafter.

Staffing

This project will increase staffing by a total of 9 FTE positions. A listing of the current and proposed staffing of the surgical department is attached as Attachment C, III, Orderly Development, 3. The applicant anticipates no difficulty in filling the needed positions.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects**

Supplemental Responses
Regional Hospital of Jackson, CN1505-022
Page 2

2. Section B. Item I (Project Description)

Your response is noted. The LOI states the applicant will increase the number of ORs from 6 (including a Cystology room) to 8, while the application on page 6 states the number of ORs will increase from 5 to 7. Please clarify.

The cytology room is considered a procedure room by the hospital, but is included as a operating rom on the JAR. In order to avoid confusion the Letter of Intent states RHJ has 6 ORs "including one Cystology Room." However for purposes of the discussion in the application, the cystology room was omitted from that narrative. A Replacement Page 6 is attached following this response.

Under the heading "Project Cost and Funding" on page 7 the applicant notes \$4.3 million in construction cost, while the Projects Costs Chart reflects \$4,492,944. Please clarify.

The statement on page 7 that construction costs are "approximately \$4.3 million" was a typo and should have read "approximately \$4.5 million." A Replacement Page 7 is attached following this response.

Please clarify if the additional 2 operating rooms will be used for outpatient, inpatient surgeries, or a combination of both.

They will be used for both inpatient and outpatient cases.

3. Section B. Item II.A. (Square Footage & Cost/SF Chart)

The total GSF of 13,071 in the total for the proposed final square footage in the chart appears to be miscalculated. Please verify and revise which will impact the Cost/PSF.

There was typographical error in the gross square footage of the surgical department to be renovated (stated as 11,000; should have been 10,372). Since the total amount of square footage to be renovated was correct (13,071) the revised number does not affect the cost per square foot. A revised Chart is attached as Replacement Page 9 following this response.

It is noted the new construction cost/sq. foot is \$731.25 for the proposed project which is three times higher than the median cost for similar projects approved by the Agency from 2011-2013. However, please provide a clearer explanation of why this amount is three times higher.

In addition to the factors discussed on page 22 of the application, additional factors contributing to estimated construction costs being significantly higher than the 2011-2013 median approved costs include:

1. Multiple phases, for minimal patient disruption, causing extended construction duration.
2. Setting up a temporary PACU, again to minimize patient disruption.
3. Relocation of the mechanical areaways that are currently in the new construction footprint.

May 29, 2015
8:31 am

4. Section B. III. A. Plot Plan

The plot plan is noted. The drawing and legend included in the application are too small to be legible. Please provide larger, more detailed images with a legible legend.

A revised plot plan is attached following this response. The problem comes in trying to reduce the much larger drawings to 8.5" x 11." Every attempt has been made to make the relevant portions of the plan more legible.

SUPPLEMENTAL #1

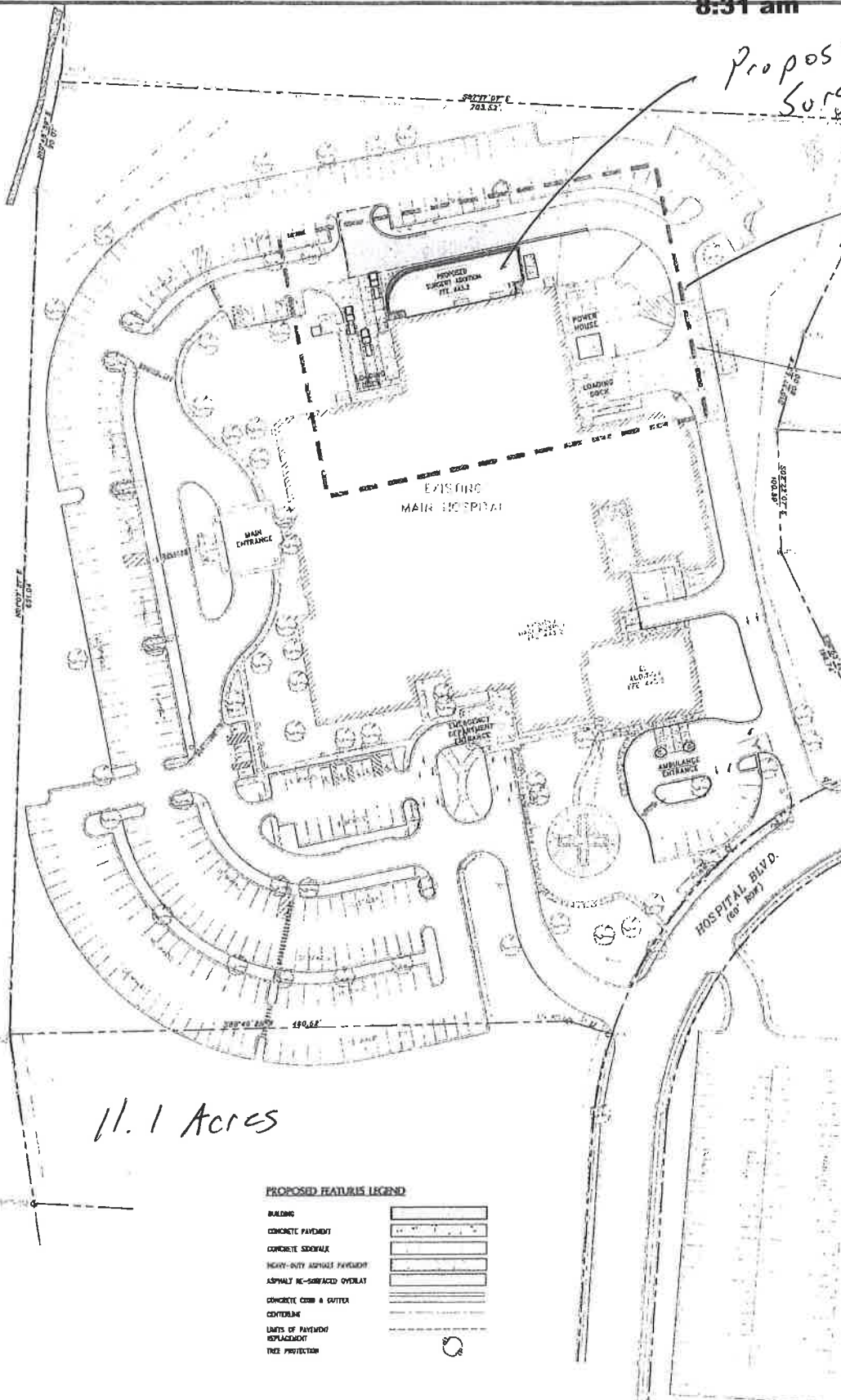
May 29, 2015

8:31 am

Proposed
Surgical Addition

Surgical
Dept.

U.S. HIGHWAY 45 STATE HIGHWAY 5
(ROW VALUES)



11.1 Acres

PROPOSED FEATURES LEGEND

| | |
|--------------------------------|--|
| BUILDING | |
| CONCRETE PAVEMENT | |
| CONCRETE SIDEWALK | |
| HEAVY-DUTY ASPHALT PAVEMENT | |
| ASPHALT MC-SURFACED OVERLAY | |
| CONCRETE CURB & GUTTER | |
| CENTERLINE | |
| LIMITS OF PAVEMENT REPLACEMENT | |
| TREE PROTECTION | |

5. Section C. (Need) 1. Specific Criteria (Construction, Renovation, Expansion, and Replacement of Healthcare Institutions) Item 3a. and 3b.

The number of cases per OR for 2013 in Item 3.a. does not match the number of encounters in the table in Attachment C.I. Need.3. Please clarify.

The numbers have been corrected. A Replacement Page 15 is attached following this response.

The applicant states in Item 3.b. the current OR lay-out is inefficient. Please explain how the existing physical plant's OR layout is inefficient for patients and staff.

The current OR suites will not accommodate the size of specialty tables and the current technology necessary for the types of procedures we perform on a daily basis. Only one suite will accommodate specialty tables for Orthopedics, endovascular and spine at all. This limits our ability to maximize our capacity and properly care for our patients. The electrical limitations alone make even simple cases with minimal equipment a challenge. There are as many as 4 power strips in every room. Our rooms are so packed with the necessary equipment for a case that it is difficult to avoid contamination of the sterile field.

There is no sterile storage for supplies resulting in case delays and inefficient inventory management. There is no equipment storage area, resulting in blocking corridors to store necessary equipment. No sufficient area for storage of dirty linen and trash and no area for janitor carts.

There is insufficient storage for sterile supplies. There is no preparation area for pulling cases with the surgical supplies isolated to this area. According to AORN standards the surgical supplies should be stored and prepared in an area without outside shipping containers and free of dust and debris. Surgical supplies cannot be stored in surgery in sufficient numbers and variety to accommodate the emergency cases and there is a consistent need for supplies on the weekend and at night to be obtained from the Materials Management department by the supervisor who doesn't know what she is looking for and it is unsafe for the circulator to be out of the department during the case.

There is no equipment storage area and the most frequently used equipment is in the back hall of surgery which is a fire code violation. All of this equipment must be immediately available.

All of the surgical suites with the exception of 5 are too small for procedures requiring specialty tables. Specialty tables are used on a majority of Orthopedic and all spine cases. More and more of these procedures will be done and the number of pieces of equipment will increase. Even on cases without a specialty table, the equipment requirements necessitate a much more generous operating room size than those which were designed when this hospital was built in 1990. The first Laparoscopic Surgery was performed after

May 29, 2015**8:31 am**

Supplemental Responses
Regional Hospital of Jackson, CN1505-022
Page 6

the construction of this hospital and technology has exploded since we moved in. We have neither the power nor the appropriate room configuration for the numerous pieces of equipment necessary today. There is an increased risk of contamination due to the small size of the rooms and the poor configuration for modern surgery.

Equipment in the surgical area is outdated as well. We have old porcelain sinks for scrub sinks which have no temperature or flow control resulting in difficulty maintaining the water temperature to complete your scrub without scalding yourself. Blanket warmers are 25 years old and have been retrofitted for thermometers and none of the bottom compartments heat at all. At this time 2 of the 4 are not working properly. Actually one of them I brought from the old building so it is vintage 1977.

The janitors' room is approximately 3 feet by 3 feet which will not even accommodate the new corporate cleaning carts which all the hospitals must use. The dirty room will not accommodate the trash, bio-hazardous trash and dirty linen so the linen cart must live on the dirty elevator which is a not appropriate. Dirty instruments must pass through this room to the dirty elevator also and that is very difficult.

May 29, 2015**8:31 am**

- a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS (Guidelines for Growth)

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

N/A. This project involves none of the above.

2. For relocation or replacement of an existing licensed health care institution:

N/A. This project does not involve the relocation or replacement of a health care institution.

- a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.
- b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.
3. For renovation or expansions of an existing licensed health care institution:

- a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

The renovation of the existing surgical department is long overdue, and is not dependent on surgical volume for its justification. There is a need for updating, and re-design for better patient through-put. The additional ORs are justified based on growing volume and the efficiencies of adding capacity during the midst of a major renovation project, as opposed to adding capacity later and causing additional disruption, as well as higher cost.

There are no criteria or guidelines as to threshold utilization of hospital based ORs. The number of cases per OR has steadily grown from 776 cases per OR in 2013 to 879 cases per OR in 2014, and 897 cases per room annualized 2015 (including the Cysto cases and room).

- b, The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

The surgical department has not been renovated or updated in many years. The finishes and equipment needs updating. The lay-out is inefficient. Patients and medical staff alike will benefit from the more efficient lay-out and design. There are no criteria or guidelines as to threshold utilization of hospital based ORs. The number of cases per OR

6. Section C Item I (Need) and Section C Item 5 and 6 (Applicant's Utilization)

The surgical utilization in Attachment C.I. Need.3 is noted. Please clarify why there was a drop in surgeries from 5,696 encounters in 2012 to 4,653 encounters in 2013.

The following had negative encounter impacts for FY13 vs FY12 (Approximate number of lost cases in parenthesis):

- Jackson Madison County General purchase of GI practices (192)
- Employed Surgeon out due to health issues (238)
- Independent Main Ophthalmologist out due to health issues (250)
- Employed OB/GYN Md's begin movement to leave market (81)
- Largest OB Practice moving volume due to BCBS implications (35)
- Main Pulmonary Provider out due to health issues (97)
- o Total Reconciled variance = (893)
- o Total Variance = (1,043)
- o Unreconciled Var = (150) or (14%)

The footnote in Attachment C.I. Need.3 states the surgical volumes for RHJ reported in the Joint Annual Reports is erroneous. Please clarify which years were reported in error, and if corrections were reported to the Department of Health.

Reviewing the JAR's for 2011, 2012, and 2013 it appears that the surgical data is incorrect (Sch D, Sect E). We have contacted the State and those years cannot be amended at this point.

As requested in the application, please indicate the methodology to project utilization which includes detailed calculations or documentation from referral sources, and identification of all assumptions.

Projections were derived by taking a 7 month snapshot of volume and financial utilization from January – July 2014. This information created the baseline of both volume & corresponding revenue and expense per case to projection from. From there many other factors were reviewed such as construction time, provider recruitment, provider loss, changes in managed care, normalized population growth, etc. After assessing these situations, a volume impact was derived and projected forward.

Based on the applicant's historical surgical utilization range between 4,653 cases in 2013 to 5,696 cases in 2012, how does the applicant expect to get to 6,730 projected surgical cases in Year 2 (2018)?

The variances referenced in 2012 & 2013 have been resolved by the following actions:

- Employment of an GI Surgeon (Nov 2014)
- General Surgeon's return from health issues (05/2014)
- Ophthalmologist return from health issues (08/2013)
- OB/GYN volumes returning as managed care issues have improved (2014)
- Pulmonary provider has returned from health issues.
- Further provider recruitment to include:

May 29, 2015**8:31 am**

Supplemental Responses
Regional Hospital of Jackson, CN1505-022
Page 8

- o Orthopedic Spine Surgeon
 - o General Orthopedic Surgeon
 - o General Surgeon
 - o Vascular Surgeon
- Completed Recruitment of OB/GYN in 2014
- Completed addition of Jackson Clinic GI provider coverage in 2014
- Additional OR capacity, as well as the improved physical facilities in the surgical department will lead to a growth in referrals from local physicians

Please provide the following information for the surgical department for the most recent year available.

Please see the utilization table attached following this response. The calculations are carried out using the assumptions stated in your questions, and an alternative set of assumptions that more closely match the circumstances at RH. The assumptions used in the calculations are included on the attached.

Information should be used for FY 2014

9070 5276

| | # of Rooms | Procedures | Cases | Procedures/Room | Minutes Used | Average Turn Around Time in Minutes | Schedulable Minutes* | % of Schedulable Time Used |
|----------------------|------------|------------|-------|-----------------|--------------|-------------------------------------|----------------------|----------------------------|
| Operating Rooms | 5 | 6411 | 3375 | 1282.2 | 259227 | 1.13 | 688500 | 38 |
| Endoscopy Rooms | 4 | 1989 | 1717 | 492.25 | 92320 | 1.13 | 550500 | 17 |
| Cystoscopy Rooms | 1 | 590 | 184 | 690 | 9161 | 1.13 | 137700 | 7 |
| Total Surgical Suite | 10 | 9070 | 5276 | 907 | 360708 | 1.13 | 1377000 | 25 |

*Defined as the summation of the minutes by each room available for scheduled cases

Example: 7:30am to 4:30pm, 5 days a week, 50 weeks/year, equates to 9hrs/day x 60 mins/hr = 540 minutes/day x 5 days/week = 2,700 minutes/week x 50 weeks/year = 135,000 Schedulable Minutes/Room x the number of rooms = Total Surgical Suite Schedulable Capacity.

| Formula Used | Weeks | Days/Week | Hours | Total Days | Total Hours | Total Minutes | Schedulable Mins | % |
|------------------------|---|-----------|-------|------------|-------------|---------------|------------------|-------|
| Adjusted OR Formula | 51 | 5 | 9 | 255 | 2295 | 137,700.00 | 688,500.00 | 37.7% |
| Adjusted Cysto Formula | 51 | 5 | 7 | 255 | 1785 | 107,100.00 | 535,500.00 | 48.4% |
| Notes | *7am for 2 rooms | | | | | | | |
| Notes | *Additional Rooms start at 8am | | | | | | | |
| Notes | *Adjusted formula accounts for a 2 hour reduction in hours due to afternoons not truly being booked as surgical start time. | | | | | | | |
| Notes | *Minutes used excludes turn time minutes | | | | | | | |
| Notes | *The most we can run with Anesth is 5 at one time so Cysto cannot run optimally 5 days a week. | | | | | | | |

11.46 mins average turn time not including set up time
10 min avg set up time
21.46 Total Set up Time

| Turn Mins | Adj Min Used | % |
|-----------|--------------|-------|
| 72427.5 | 331654.5 | 48.2% |
| 36646.82 | 129166.82 | 23.5% |
| 3648.64 | 13109.64 | 9.5% |
| 113223 | 473930.96 | 34.4% |

7. Section C, Economic Feasibility, Item 4 (Historical and Projected Data Chart)

Please clarify what “Hitech Incentives” and “Minority Interest” are in the itemization of D.9 Other Expenses in the Historical Data Chart.

“HiTech Incentives” refers to the federally funded "Meaningful Use" (of electronic health records) incentive dollars received under the Health Information Technology for Economic and Clinical Health Act.

“Minority Interest” is the expense that the facility incurs due to the syndication agreement whereby physicians have ownership interests in the hospital.

Please clarify why net operating income in the historical data chart decreased from \$18,224,488 in 2012 to \$10,387,626 in 2013.

Net Operating Income fell in 2013 by \$7.8M due to the following: Volume decreases in both admissions (20%) and surgeries (18%) lead to a Net Revenue decline of \$15.1M; Operating Expenses for the same period fell by only \$7.3M, which lead to the Operating Income decline of \$7.8M.

Please clarify why there are fluctuations between the years 2012-2014 in the expenses “Hitech Incentives” and “Minority Interest” listed in D.9 in the itemization for “Other expenses” in the Projected Data Chart.

HiTech Incentives as recorded here are the net impact of the new costs associated with meeting the Meaningful Use requirements less the credit received for meeting the requirements. Fluctuations occur over time due to the funding schedule and projected Phase completion timing lapsing over fiscal years.

Minority Interest Expense fluctuations occur as changes in the hospital’s available cash to distribute to physician owners occur.

Please provide a Projected Data Chart that represents 6,206 Projected Surgical Cases in Year One and 6,730 in Year Two.

A Projected Data Chart for the entire surgical department is attached following this response.

Please clarify how many of the 6,206 projected surgical cases in Year One are outpatient and how many are inpatient.

| | |
|------------|---------|
| Inpatient | = 1,973 |
| Outpatient | = 4,233 |
| Total | = 6,206 |

It is noted the Projected Data Chart represents the incremental growth in the surgical department. Please clarify what would happen to the profitability of the proposed project if there is little or no surgical growth.

May 29, 2015**8:31 am**

Supplemental Responses
Regional Hospital of Jackson, CN1505-022
Page 10

Assuming the surgical volume stays flat and the project is completed, the profitability of the project reflected on the original (incremental growth) Projected Data Chart would fall by \$139,400 in Year 1.

SUPPLEMENTAL #1**May 29, 2015****8:31 am****PROJECTED DATA CHART (Total Surgical Department)**Give information for the two (2) years following completion of this proposal. The fiscal year begins in 2017.

| | Year 1: 2017 | Year 2: 2018 |
|---|-----------------------|-----------------------|
| A. Utilization/Occupancy Data (Specify unit of measure).(Cases) | 6206 | 6730 |
| B. Revenue from Services to Patients k | | |
| 1. Inpatient Services | \$ 449,459,355 | \$ 473,982,520 |
| 2. Outpatient Services | \$ 279,662,006 | \$ 292,928,621 |
| 3. Emergency Services | \$ - | \$ - |
| 4. Other Operating Revenue (Specify) _____ | \$ 474,600 | \$ 474,600 |
| Gross Operating Revenue | \$ 729,595,961 | \$ 767,385,741 |
| C. Deductions from Operating Revenue | | |
| 1. Contractual Adjustments | \$ 622,352,229 | \$ 655,660,320 |
| 2. Provisions for Charity Care | \$ - | \$ - |
| 3. Provisions for Bad Debt | \$ 12,304,524 | \$ 12,561,362 |
| Total Deductions | \$ 634,656,754 | \$ 668,221,683 |
| NET OPERATING REVENUE | \$ 94,939,207 | \$ 99,164,058 |
| D. Operating Expenses | | |
| 1. Salaries and Wages | \$ 37,649,089 | \$ 38,453,461 |
| 2. Physicians' Salaries and Wages | \$ 15,885,255 | \$ 16,712,319 |
| 3. Supplies | \$ 6,158,745 | \$ 6,290,764 |
| 4. Taxes | \$ 774,340 | \$ 774,340 |
| 5. Depreciation | \$ 1,696,414 | \$ 1,750,168 |
| 6. Rent | \$ 620,550 | \$ 620,550 |
| 7. Interest, other than Capital | | |
| 8. Management Fees: | | |
| a. Fees to Affiliates | | |
| b. Fees to Non-Affiliates | | |
| 9. Other Expenses | \$ 17,099,804 | \$ 17,958,026 |
| Specify: See attached _____ | | |
| Total Operating Expenses | \$ 79,884,197 | \$ 82,559,628 |
| E. Other Revenue (Expenses)--Net | | |
| Specify: _____ | | |
| NET OPERATING INCOME (LOSS) | \$ 15,055,010 | \$ 16,604,430 |
| F. Capital Expenditures | | |
| 1. Retirement of Principal | | |
| 2. Interest | | |
| Total Capital Expenditures | \$ - | \$ - |
| NET OPERATING INCOME (LOSS) | \$ 15,055,010 | \$ 16,604,430 |
| LESS CAPITAL EXPENDITURES | \$ - | \$ - |
| NOI LESS CAPITAL EXPENDITURES | \$ 15,055,010 | \$ 16,604,430 |

May 29, 2015**8:31 am****List of Other Expenses**

| | Year 1: 2017 | Year 2: 2018 |
|-----------------------|-------------------|-------------------|
| Medical Fees | 5,221,022 | 5,626,759 |
| Purch Serv | 7,175,479 | 7,415,901 |
| Phys Recru | 1,316 | 1,342 |
| Repairs & Maint | 1,850,009 | 1,919,356 |
| Marketing | 274,634 | 287,068 |
| Utilities | 1,136,087 | 1,193,534 |
| Other Oper | 1,441,257 | 1,514,066 |
| | | |
| Other Expenses | 17,099,804 | 17,958,026 |

Supplemental Responses
Regional Hospital of Jackson, CN1505-022
Page 11

8. Section C, Economic Feasibility, Item 5

The project's average gross charge, average deduction from operating revenue and average net charge is noted. The amounts do not correspond with the Projected Data Chart. Please clarify and resubmit if needed.

The corrected numbers are reflected on the Replacement Page 27 following this response.

May 29, 2015**8:31 am**

- 5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.**

Based on incremental volume as reflected on Projected Data Chart:

Average Gross Charge: \$49,138

Average Deduction: \$44,198

Average Net Charge: \$4,940

- 6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.**

Due to the large number of surgical DRGs utilized by the surgical department it would be impractical to attach a copy. It would involve approximately 1,00 such DRG and APC schedule.

RHJ's net revenue to gross charges on Medicare surgical cases runs approximately 8%-10%. The average gross and net charges relevant to this project are reflected above.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

As far as the applicant can determine, such comparative charges are not publicly available. As explained above, RHJ has a very low net revenue to gross charge ratio.

- 7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.**

As reflected in the Projected Data Chart, the project will be cost-efficient and will produce a strong positive NOI in Year 1 and thereafter.

- 8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.**

As reflected in the Projected Data Chart, the project will be financially viable and have a positive cash flow in Year 1 and thereafter.

9. Section C, Economic Feasibility, Item 6B

Please compare the applicant's surgical department charges and those of similar facilities in the service area or proposed charges of similar projects recently approved by the HSDA.

Regional Hospital of Jackson (this project)

Average Gross Charge: \$58,043
Average Deduction: \$52,207
Average Net Charge: \$5,836

Vanderbilt University Hospitals (CN1309-034)

Average Gross Charge: \$40,294
Average Deduction: \$29,286
Average Net Charge: \$11,008

St. Thomas Hospital (CN1103-010)*

Average Gross Charge: \$80,615
Average Deduction: \$55,498
Average Net Charge: \$25,117
*Charges are for cardiovascular ORs

10. Section C. (Economic Feasibility) Item 9.

The percent of Gross Revenue for TennCare and Medicare do not match the Projected Data Chart. Please clarify and resubmit the table if needed to match the gross charges in the Projected Data Chart for the proposed project.

The corrected numbers are reflected on the Replacement Page 28 attached following this response.

May 29, 2015**8:31 am**

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

RHJ participates in both Medicare and TennCare. It contracts with all four of the TennCare MCOs in the region.

RHJ's Medicare and TennCare mix, and the anticipated net revenues for this project from each program in Year 1 are reflected below:

Based on incremental volume reflected on Projected Data Chart:

| | | |
|-----------|-----|--------------|
| Medicare: | 49% | \$17,263,819 |
|-----------|-----|--------------|

| | | |
|-----------|-----|-------------|
| TennCare: | 14% | \$4,932,520 |
|-----------|-----|-------------|

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Financial statements for the applicant are attached as Attachment C, II, Economic Feasibility, 10.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

No less costly, more effective or more efficient alternatives were identified. This project has been carefully planned and considered by the executive management of RHJ as well as that of the parent company, with input from the medial staff and other stakeholders.

- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing

11. Section C. (Economic Feasibility) Item 10

Since the proposed project will be funded by Community Health Systems, please provide a copy of the parent company's audited financial statements for the most recently completed period for which the balance sheet and income statements are available.

A copy of the audited Consolidated Financial Statements is attached following this response.

May 29, 2015

8:31 am

Table of Contents

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

| | Year Ended December 31, | | |
|---|--|-------------------|-------------------|
| | 2014 | 2013 | 2012 |
| | (In millions, except share and per share data) | | |
| Operating revenues (net of contractual allowances and discounts) | \$ 21,561 | \$ 14,853 | \$ 14,747 |
| Provision for bad debts | 2,922 | 2,034 | 1,914 |
| <i>Net operating revenues</i> | <u>18,639</u> | <u>12,819</u> | <u>12,833</u> |
| <i>Operating costs and expenses:</i> | | | |
| Salaries and benefits | 8,618 | 6,107 | 5,992 |
| Supplies | 2,862 | 1,975 | 1,953 |
| Other operating expenses | 4,322 | 2,818 | 2,807 |
| Government settlement and related costs | 101 | 102 | — |
| Electronic health records incentive reimbursement | (259) | (162) | (123) |
| Rent | 434 | 279 | 264 |
| Depreciation and amortization | 1,106 | 771 | 714 |
| Amortization of software to be abandoned | 75 | — | — |
| <i>Total operating costs and expenses</i> | <u>17,259</u> | <u>11,890</u> | <u>11,607</u> |
| <i>Income from operations</i> | <u>1,380</u> | <u>929</u> | <u>1,226</u> |
| Interest expense, net of interest income of \$5, \$3 and \$3 in 2014, 2013 and 2012, respectively | 972 | 613 | 621 |
| Loss from early extinguishment of debt | 73 | 1 | 115 |
| Equity in earnings of unconsolidated affiliates | (48) | (43) | (42) |
| Impairment of long-lived assets | 41 | 12 | 10 |
| <i>Income from continuing operations before income taxes</i> | <u>342</u> | <u>346</u> | <u>522</u> |
| <i>Provision for income taxes</i> | <u>82</u> | <u>104</u> | <u>164</u> |
| <i>Income from continuing operations</i> | <u>260</u> | <u>242</u> | <u>358</u> |
| <i>Discontinued operations, net of taxes:</i> | | | |
| Loss from operations of entities sold or held for sale | (7) | (21) | (12) |
| Impairment of hospitals sold or held for sale | (50) | (4) | — |
| <i>Loss from discontinued operations, net of taxes</i> | <u>(57)</u> | <u>(25)</u> | <u>(12)</u> |
| <i>Net income</i> | <u>203</u> | <u>217</u> | <u>346</u> |
| Less: Net income attributable to noncontrolling interests | 111 | 76 | 80 |
| <i>Net income attributable to Community Health Systems, Inc. stockholders</i> | <u>\$ 92</u> | <u>\$ 141</u> | <u>\$ 266</u> |
| <i>Basic earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders(1):</i> | | | |
| Continuing operations | \$ 1.33 | \$ 1.80 | \$ 3.11 |
| Discontinued operations | (0.51) | (0.27) | (0.13) |
| <i>Net income</i> | <u>\$ 0.82</u> | <u>\$ 1.52</u> | <u>\$ 2.98</u> |
| <i>Diluted earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders(1):</i> | | | |
| Continuing operations | \$ 1.32 | \$ 1.77 | \$ 3.09 |
| Discontinued operations | (0.51) | (0.27) | (0.13) |
| <i>Net income</i> | <u>\$ 0.82</u> | <u>\$ 1.51</u> | <u>\$ 2.96</u> |
| <i>Weighted-average number of shares outstanding</i> | | | |
| Basic | 111,579,088 | 92,633,332 | 89,242,949 |
| Diluted | <u>112,549,320</u> | <u>93,815,013</u> | <u>89,806,937</u> |

(1) Total per share amounts may not add due to rounding.

See notes to the consolidated financial statements.

Table of Contents

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Year Ended December 31, | | |
|---|-------------------------|--------|--------|
| | 2014 | 2013 | 2012 |
| | (In millions) | | |
| Net income | \$ 203 | \$ 217 | \$ 346 |
| Other comprehensive income (loss), net of income taxes: | | | |
| Net change in fair value of interest rate swaps, net of tax of \$7, \$34 and \$26 for the years ended December 31, 2014, 2013 and 2012, respectively | 13 | 60 | 46 |
| Net change in fair value of available-for-sale securities, net of tax | — | 2 | 3 |
| Amortization and recognition of unrecognized pension cost components, net of tax (benefit) of \$(9), \$9 and \$(3) for the years ended December 31, 2014, 2013 and 2012, respectively | (9) | 16 | (10) |
| Other comprehensive income | 4 | 78 | 39 |
| Comprehensive income | 207 | 295 | 385 |
| Less: Comprehensive income attributable to noncontrolling interests | 111 | 76 | 80 |
| Comprehensive income attributable to Community Health Systems, Inc. stockholders | \$ 96 | \$ 219 | \$ 305 |

See notes to the consolidated financial statements.

May 29, 2015

8:31 am

Table of Contents

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

| | December 31, | |
|--|----------------------------------|------------------|
| | 2014 | 2013 |
| | (In millions, except share data) | |
| ASSETS | | |
| <i>Current assets:</i> | | |
| Cash and cash equivalents | \$ 509 | \$ 373 |
| Patient accounts receivable, net of allowance for doubtful accounts of \$3,504 and \$2,438 at December 31, 2014 and 2013, respectively | 3,409 | 2,323 |
| Supplies | 557 | 371 |
| Prepaid income taxes | 30 | 107 |
| Deferred income taxes | 341 | 101 |
| Prepaid expenses and taxes | 192 | 127 |
| Other current assets (including assets of hospitals held for sale of \$38 and \$40 at December 31, 2014 and 2013, respectively) | 528 | 345 |
| Total current assets | 5,566 | 3,747 |
| <i>Property and equipment:</i> | | |
| Land and improvements | 946 | 623 |
| Buildings and improvements | 8,791 | 6,225 |
| Equipment and fixtures | 4,527 | 3,614 |
| Property and equipment, gross | 14,264 | 10,462 |
| Less accumulated depreciation and amortization | (4,095) | (3,411) |
| Property and equipment, net | 10,169 | 7,051 |
| <i>Goodwill</i> | 8,951 | 4,424 |
| <i>Other assets, net of accumulated amortization of \$827 and \$535 at December 31, 2014 and 2013 respectively (including assets of hospitals held for sale of \$90 and \$94 at December 31, 2014 and 2013, respectively)</i> | 2,735 | 1,895 |
| <i>Total assets</i> | <u>\$27,421</u> | <u>\$ 17,117</u> |
| LIABILITIES AND EQUITY | | |
| <i>Current liabilities:</i> | | |
| Current maturities of long-term debt | \$ 235 | \$ 167 |
| Accounts payable | 1,293 | 949 |
| Deferred income taxes | 23 | 3 |
| <i>Accrued liabilities:</i> | | |
| Employee compensation | 955 | 690 |
| Interest | 227 | 112 |
| Other (including liabilities of hospitals held for sale of \$10 and \$24 at December 31, 2014 and 2013, respectively) | 856 | 537 |
| Total current liabilities | 3,589 | 2,458 |
| <i>Long-term debt</i> | 16,681 | 9,286 |
| <i>Deferred income taxes</i> | 845 | 906 |
| <i>Other long-term liabilities</i> | 1,692 | 977 |
| <i>Total liabilities</i> | 22,807 | 13,627 |
| <i>Redeemable noncontrolling interests in equity of consolidated subsidiaries</i> | 531 | 358 |
| <i>Commitments and contingencies (Note 16)</i> | | |
| <i>EQUITY</i> | | |
| <i>Community Health Systems, Inc. stockholders' equity:</i> | | |
| Preferred stock, \$.01 par value per share, 100,000,000 shares authorized; none issued | 1 | 1 |
| Common stock, \$.01 par value per share, 300,000,000 shares authorized; 117,701,087 shares issued and 116,725,538 shares outstanding at December 31, 2014, and 95,987,032 shares issued and 95,011,483 shares outstanding at December 31, 2013 | 2,095 | 1,256 |
| Additional paid-in capital | (7) | (7) |
| Treasury stock, at cost, 975,549 shares at December 31, 2014 and 2013 | (63) | (67) |
| Accumulated other comprehensive loss | 1,977 | 1,885 |
| Retained earnings | 4,003 | 3,068 |
| Total Community Health Systems, Inc. stockholders' equity | 80 | 64 |
| <i>Noncontrolling interests in equity of consolidated subsidiaries</i> | 4,083 | 3,132 |
| <i>Total equity</i> | <u>\$27,421</u> | <u>\$ 17,117</u> |
| <i>Total liabilities and equity</i> | | |

See notes to the consolidated financial statements.

Supplemental Responses
Regional Hospital of Jackson, CN1505-022
Page 14

12. Section C. Orderly Development, Item 7.d

Please provide documentation supporting Joint Commission accreditation.

A copy of documents verifying RHJ's Joint Commission accreditation is attached following this response.

Please verify the date of the survey conducted by the Tennessee Department of Health on September 12, 2006 as the most recent survey.

It is hereby verified the September 12, 2006 Department of Health survey was the most recent survey to the best of the applicant's knowledge.

May 29, 2015

8:31 am

**Jackson, Tennessee
Hospital Company, LLC
Jackson, TN**

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Hospital Accreditation Program

June 14, 2013

Accreditation is customarily valid for up to 36 months.


Rebecca Patchin, MD,
Chair, Board of Commissioners

Organization ID #: 7840
Print/Reprint Date: 09/19/13


Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.

May 29, 2015**8:31 am**

December 30, 2013

Charles Miller
Chief Executive Officer
Jackson, Tennessee Hospital Company, LLC
367 Hospital Boulevard
Jackson, TN 38305

Joint Commission ID #: 7840
Program: Hospital Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 12/30/2013

Dear Mr. Miller:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning June 14, 2013. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



Jackson, Tennessee Hospital Company, LLC
367 Hospital Boulevard
Jackson, TN 38305

Organization Identification Number: 7840

Measure of Success Submitted: 12/30/2013

Program(s)

Hospital Accreditation

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

AFFIDAVIT OF PUBLICATION

May 29, 2015

8:31 am

0000450497

Newspaper Jackson Sun

**TEAR SHEET
ATTACHED**

State of Tennessee

Account Number NAS-310131JS

Advertiser BURR & FORMAN LLP

RE: NOTIFICATION OF INTENT - REGIONAL HOSPITAL

V Perry Sales Assistant for the above mentioned newspaper,
hereby certify that the attached advertisement appeared in said newspaper on the following dates:

05/10/15

V Perry

Subscribed and sworn to before me this 28 day of May, 2015

Lela Bates
Notary Public



MY COMMISSION EXPIRES:
MAY 6, 2019

May 29, 2015

8:31 am

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF MADISON

NAME OF FACILITY: REGIONAL HOSPITAL OF JACKSON

I, Charles Miller, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.


Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 26th day of May, 2015, witness my hand at office in the County of Madison, State of Tennessee.


NOTARY PUBLIC

My commission expires Aug. 23, 2017.

HF-0043

Revised 7/02





State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

May 20, 2015

Mr. Jerry Taylor
Burr & Forman, LLP
3102 West End Avenue, Suite 700
Nashville, Tennessee 37203

RE: Certificate of Need Application CN1505-022
Regional Hospital of Jackson

Dear Mr. Taylor,

This will acknowledge our May 15, 2015 receipt of your application for a Certificate of Need for the following: 1) renovation of approximately 9,294 SF in the existing surgical department, 2) the addition of approximately 3,777 SF of new construction to the existing surgical department, and 3) the addition of 2 operating rooms, increasing the number of operating rooms from 6 to 8 located at Regional Hospital of Jackson 367 Hospital Blvd., Jackson (Madison County), Tennessee.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 9:00 am, Wednesday May 27, 2015. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Section A, Applicant Profile Item 9

The Bed Complement Data is noted. However, there appears to be a calculation error in staffed beds. Please revise and submit a replacement page.

2. Section B. Item I (Project Description)

Your response is noted. The LOI states the applicant will increase the number of ORs from 6 (including a Cystology room) to 8, while the application on page 6 states the number of ORs will increase from 5 to 7. Please clarify.

Under the heading "Project Cost and Funding" on page 7 the applicant notes \$4.3 million in construction cost, while the Projects Costs Chart reflects \$4,492,944. Please clarify.

Please clarify if the additional 2 operating rooms will be used for outpatient, inpatient surgeries, or a combination of both.

3. Section B. Item II.A. (Square Footage & Cost/SF Chart)

The total GSF of 13,071 in the total for the proposed final square footage in the chart appears to be miscalculated. Please verify and revise which will impact the Cost/PSF.

It is noted the new construction cost/sq. foot is \$731.25 for the proposed project which is three times higher than the median cost for similar projects approved by the Agency from 2011-2013. However, please provide a clearer explanation of why this amount is three times higher.

4. Section B. III. A. Plot Plan

The plot plan is noted. The drawing and legend included in the application are too small to be legible. Please provide larger, more detailed images with a legible legend.

5. Section C. (Need) 1. Specific Criteria (Construction, Renovation, Expansion, and Replacement of Healthcare Institutions) Item 3a. and 3b.

The number of cases per OR for 2013 in Item 3.a. does not match the number of encounters in the table in Attachment C.I. Need.3. Please clarify.

The applicant states in Item 3.b. the current OR lay-out is inefficient. Please explain how the existing physical plant's OR layout is inefficient for patients and staff.

6. Section C Item I (Need) and Section C Item 5 and 6 (Applicant's Utilization)

The surgical utilization in Attachment C.I. Need.3 is noted. Please clarify why there was a drop in surgeries from 5,696 encounters in 2012 to 4,653 encounters in 2013.

The footnote in Attachment C.I. Need.3 states the surgical volumes for RHJ reported in the Joint Annual Reports is erroneous. Please clarify which years were reported in error, and if corrections were reported to the Department of Health.

As requested in the application, please indicate the methodology to project utilization which includes detailed calculations or documentation from referral sources, and identification of all assumptions.

Based on the applicant's historical surgical utilization range between 4,653 cases in 2013 to 5,696 cases in 2012, how does the applicant expect to get to 6,730 projected surgical cases in Year 2 (2018)?

Please provide the following information for the surgical department for the most recent year available.

| | No. of Rooms | Procedures | Procedures/ Room | Minutes Used | Average Turnaround Time | Schedulable minutes* | % of Schedulable Time Used |
|---------------------------|--------------|------------|------------------|--------------|-------------------------|----------------------|----------------------------|
| Operating Rooms | | | | | | | |
| Endoscopy Procedure Rooms | | | | | | | |
| Cystoscopy Rooms | | | | | | | |
| Total Surgical Suite | | | | | | | |

* defined as the summation of the minutes by each room available for scheduled cases
Example: 7:30 AM to 4:30 PM, 5 days per week, 50 weeks/ year, equates to 9 hrs/day X 60 min/hr = 540 minutes/day X 5 days/week = 2,700 minutes / week X 50 weeks/year=135,000 schedulable minutes/room X the number of rooms=surgical suite schedulable capacity

7. Section C, Economic Feasibility, Item 4 (Historical and Projected Data Chart)

Please clarify what "Hitech Incentives" and "Minority Interest" are in the itemization of D.9 Other Expenses in the Historical Data Chart.

Please clarify why net operating income in the historical data chart decreased from \$18,224,488 in 2012 to \$10,387,626 in 2013.

Please clarify why there are fluctuations between the years 2012-2014 in the expenses "Hitech Incentives" and "Minority Interest" listed in D.9 in the itemization for "Other expenses" in the Projected Data Chart.

Please provide a Projected Data Chart that represents 6,206 Projected Surgical Cases in Year One and 6,730 in Year Two.

Please clarify how many of the 6,206 projected surgical cases in Year One are outpatient and how many are inpatient.

It is noted the Projected Data Chart represents the incremental growth in the surgical department. Please clarify what would happen to the profitability of the proposed project if there is little or no surgical growth.

8. Section C, Economic Feasibility, Item 5

The project's average gross charge, average deduction from operating revenue and average net charge is noted. The amounts do not correspond with the Projected Data Chart. Please clarify and resubmit if needed.

9. Section C, Economic Feasibility, Item 6B

Please compare the applicant's surgical department charges and those of similar facilities in the service area or proposed charges of similar projects recently approved by the HSDA.

10. Section C. (Economic Feasibility) Item 9.

The percent of Gross Revenue for TennCare and Medicare do not match the Projected Data Chart. Please clarify and resubmit the table if needed to match the gross charges in the Projected Data Chart for the proposed project.

11. Section C. (Economic Feasibility) Item 10

Since the proposed project will be funded by Community Health Systems, please provide a copy of the parent company's audited financial statements for the most recently completed period for which the balance sheet and income statements are available.

12. Section C. Orderly Development, Item 7.d

Please provide documentation supporting Joint Commission accreditation. `

Please verify the date of the survey conducted by the Tennessee Department of Health on September 12, 2006 as the most recent survey.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is July 17, 2015. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

Mr. Jerry Taylor

May 20, 2015

Page 5

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,



Phillip Earhart
HSD Examiner